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FARM-RETAIL SPREADS FOR FOOD PRODUCTS

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ABSTRACT

Revised farm-retail spreads for a "market basket" of domestic farm-originated foods and for 46 individual foods are presented. Movements in these statistics over time are analyzed; data and techniques employed in their development are described and evaluated. Current data for tables appear in the quarterly "Marketing and Transportation Situation," Economic Research Service, U.S. Department of Agriculture.

Key words: Farm-retail spread, market basket statistics, marketing margin, farmer's share, food prices.

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PREFACE

Revised farm-retail spreads are presented for a market basket of domestic farm-originated foods and for 46 individual foods. Also included are an analysis of movements in these statistics over time and a detailed description and evaluation of the data and techniques employed in their development.

The major purpose of market basket statistics is to measure changes in farm-retail spreads (or gross margins) received by marketing firms for assembling, processing, transporting, and distributing fixed quantities of food.

This publication supplements "Agricultural Marketing Costs and Charges," Agr. Hdbk. No. 365, Vol. 4. It is a revision of "Farm-retail Spreads for Food Products," Misc. Pub. 741 (1957) and a preliminary report of the same title, ERS-226 (1965). Current farm-retail spreads are published in the "Marketing and Transportation Situation," a quarterly report of the Economic Research Service (ERS), U.S. Department of Agriculture (USDA).

The research for this report was conducted under the general supervision of Marshall E. Miller and Harry H. Harp, Marketing Economics Division, ERS, USDA. The authors wish to thank the many persons in the Division who have contributed to this report, especially members of the Market Basket Statistics Unit, under the supervision of Mrs. Rena Gary. The authors are particularly grateful for the assistance given by the late Mrs. Emma F. Diehl, who until her retirement in 1969 supervised the statistical calculations and preparation of the tables.

Data are revised as of September 1971.

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SUMMARY

Spreads between consumer prices for foods and returns to farmers (farm value) rose 7 percent in 1970--the largest year-to-year increase since 1951. By 1970, the farm-retail spread for a market basket of foods originating on U.S. farms and sold in retail foodstores was 67 percent wider than in 1947-49, having increased almost steadily following World War II.

Retail cost of the market basket has risen in most years since 1947. By 1970, it was 36 percent above the 1947-49 level. Returns to farmers, however, decreased in many of these years and in 1970 were only 6 percent higher than in 1947-49.

Farmers received 39 cents of the dollar consumers spent for market basket foods in 1970. During 1947-70, the farmer's share varied from 52 cents in 1947 to 37 cents in 1964.

Cost components of the farm-retail spread have climbed steadily since World War II. Gains in productivity failed to match increases in wages and fringe benefits, resulting in an increase of 76 percent in labor costs per unit of product marketed from 1947-49 to 1970. Labor costs accounted for approximately half the farm-retail spread. Rates for transportation and interest and prices of containers, packaging materials, fuel, power, property insurance, and many other goods and services bought by marketing firms followed an upward trend from 1947 to 1970.

Meat products accounted for 44 percent of market basket farm value in 1970, 31 percent of retail cost, and 23 percent of the farm-retail spread. Cyclical fluctuations in production of beef cattle and hogs from 1947 to 1970 caused wide variations in prices of these meat animals and in retail prices of beef and pork. Generally, retail prices were more stable than corresponding farm prices. Thus, variations in farm prices were accompanied by inverse variations in farm-retail spreads for these products. The farm-retail spread for meat products has increased substantially since World War II, particularly in 1970. Meat products accounted for much of the variation from 1947 to 1970 in market basket retail cost, farm value, and farm-retail spread.

During 1947-70, retail prices, farm values, and farm-retail spreads increased much more for fresh fruits and vegetables in the market basket than for the market basket as a whole. Retailing and wholesaling accounted for a larger percentage of the farm-retail spread for fresh fruits and vegetables than for most other products in the market basket. Greater rises in farm values may be explained partly by less improvement in output per man-hour in producing fruits and vegetables than in producing other farm products. Fresh fruits and vegetables, whose production is strongly affected by weather, had more frequent and larger short-term variations from 1947 to 1970 in price than many other products in the market basket. Farm-retail spreads for fresh fruits and vegetables tended to vary directly with farm values.

Bakery and cereal products accounted for 21 percent of the market basket farm-retail spread in 1970. These products have much larger farm-retail spreads than farm values because of extensive processing. Fluctuations in farm values of bakery and cereal products from 1947 to 1970 had little effect on market basket farm value.

Frying chickens and eggs are among the few products in the market basket whose retail prices declined during the period. Price decreases accompanied downward trends in farm values and moderate increases in farm-retail spreads--developments resulting mainly from automation, changes in the organization of production and marketing, and other gains in efficiency.

FARM-RETAIL SPREADS FOR FOOD PRODUCTS

By

Forrest E. Scott and Henry T. Badger [1]

INTRODUCTION

In recent years, spreads between prices consumers pay and returns farmers receive have accounted for 60 cents or more of each dollar consumers spend for food in retail foodstores. Naturally, consumers, farmers, marketing firms, and Government agencies are concerned with the factors affecting the size of these spreads.

This report is one of the series published by The Economic Research Service and its predecessor agencies in response to a widespread interest in farm-retail spreads. First in the series was "The Margin Between Farm Prices and Retail Prices of Ten Foods," by Frederick V. Waugh, published in 1935. The following year, data for a market basket of 58 foods were published in "Price Spreads Between the Farmer and Consumer" by Richard O. Been and Frederick V. Waugh. Farm-retail spreads for a market basket of farm foods have been published periodically since 1941.

Recently, ERS extensively changed data and calculating procedures followed in deriving spreads for beef and pork. Price data for additional cuts are now used in calculating average prices. These new procedures more adequately reflect the effect of increased sales at special retail prices. These changes plus new data and procedures used in calculating farm values of other products have improved the accuracy of the farm-retail spreads. Additional research has led to more accurate estimates of the farm product equivalents of several food products.

I.--FARM-RETAIL SPREADS FOR MARKET BASKET OF FARM FOODS

Market basket statistics were developed by ERS to measure changes in the cost of marketing domestic farm-originated foods. They also measure changes in prices paid by consumers and returns received by farmers.

The current market basket contains the average quantities of domestic farm-originated foods purchased annually per household in 1960-61 for preparation at home by families of urban wage earners and clerical workers and workers living alone. Although the market basket includes all these foods, its retail cost and farm value are estimated monthly by ERS from a sample of 65 foods (table 23). [2]

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[1] Until retirement in 1969, Forrest E. Scott was Leader, Market Statistics Research Group, Marketing Economics Division, Econ. Res. Serv., U.S. Dept. of Agr. Henry T. Badger is an agricultural economist with this division.

[2] See part III for an explanation of procedures followed in computing market basket statistics.

The retail price of each of 65 foods is multiplied by a quantity weight, and the results are summed to arrive at total retail cost of all foods in the market basket. The same set of weights is used to calculate total farm value. The market basket sample and the weights remain constant over long periods of time.

Market basket statistics are composed of four series: (1) retail cost, (2) farm value, (3) farm-retail spreads, and (4) farmer's share of the farm-food dollar (tables 1 and 2). 3/

Retail Cost

Market basket retail cost in a particular year is an estimate of what the foods in the 1960-61 market basket would cost in that year. The estimated cost is less than a typical urban family's annual expenditure for food because:

1. The cost of food purchased in restaurants and other eating establishments is not included.
2. Food expenditures of workers living alone are included.
3. The market basket contains only foods originating on U.S. farms. Thus, fishery products, coffee, bananas, and other imported foods are excluded.

The market basket retail cost is useful--aside from its role in calculation of farm-retail spreads--as a measure of variations in retail prices of U.S. farm-originated foods. It is an index of price changes as is the Consumer Price Index (CPI), issued by the Bureau of Labor Statistics (BLS). However, ERS usually publishes market basket retail cost in dollar totals rather than as a relative of a base period. Dollar totals are used to facilitate comparisons of dollar changes in retail cost with dollar changes in farm value and farm-retail spread. Variations in market basket retail cost result only from changes in prices of market basket foods, since the quantity of each item is held constant for long periods.

Retail cost of the market basket and the food-at-home component of the CPI generally move in the same direction, although small differences in the extent of movement are frequent (fig. 1). Close variation would be expected since both series are constructed mainly with the same prices. Small differences in movement result from the following differences in the two series:

3/ See tables 1-3 for revised annual market basket statistics. Tables 27 and 28, showing monthly and quarterly statistics for the market basket and tables 29-90, showing statistics for product groups and individual products, are grouped at the end of the text.

On some tables, blank columns have been added for 1971 to 1973, so that readers can fill in data as they become available from the Marketing and Transportation Situation, a quarterly publication by the Econ. Res. Serv., U.S. Dept. Agr.

Table 1.--Market basket of farm foods: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, 1947-70 1/

Period	Retail cost	Farm value	Farm-retail spread	Farmer's share 2/
	Dollars			Percent
1947	868	448	420	52
1948	935	477	458	51
1949	884	418	466	47
Average: 1947-49	896	448	448	50
1950	878	415	463	47
1951	975	477	498	49
1952	985	463	522	47
1953	956	428	528	45
1954	939	405	534	43
1955	923	379	544	41
1956	926	375	551	40
1957	960	388	572	40
1958	1,015	418	597	41
1959	991	385	606	39
Average: 1957-59	989	397	592	40
1960	996	393	603	39
1961	999	386	613	39
1962	1,009	395	614	39
1963	1,007	378	629	38
1964	1,009	377	632	37
1965	1,037	416	621	40
1966	1,092	445	647	41
1967	1,081	419	662	39
1968	1,119	441	678	39
1969	1,176	480	696	41
1970	1,223	476	747	39

1/ The market basket contains the average quantities of U.S. farm-originated foods purchased annually per household in 1960-61 by families of urban wage earners and clerical workers and workers living alone.

2/ Computed from unrounded figures.

Table 2.--Market basket of farm foods: Retail cost, farm value, and farm-retail spreads, 1963-70

Items	1963	1964	1965	1966	1967	1968	1969	1970
	Dollars							
Retail cost of--1/								
Market basket	1,006.94	1,008.92	1,037.15	1,092.49	1,080.64	1,118.54	1,175.92	1,223.39
Meat products	286.83	280.97	307.23	331.48	319.61	328.57	363.17	379.65
Dairy products	177.70	178.57	177.98	189.29	196.54	201.78	207.99	217.94
Poultry	46.61	45.63	47.07	49.74	46.10	47.78	50.59	49.56
Eggs	39.28	38.78	37.70	42.72	35.45	38.09	44.71	44.13
Bakery and cereal products	159.17	160.57	161.39	167.21	170.73	171.48	175.65	184.84
Fresh fruits	46.23	45.56	43.08	45.83	46.01	54.39	51.49	51.31
Fresh vegetables	58.01	64.75	70.44	68.82	68.52	72.50	75.96	81.09
Processed fruits and vegetables	109.04	110.02	106.40	109.36	108.97	115.44	116.02	118.75
Fats and oils	35.03	34.72	37.27	38.70	38.78	37.88	37.86	40.67
Miscellaneous products	49.04	49.35	48.59	49.34	49.93	50.63	52.47	55.45
Farm value of--2/								
Market basket	377.94	377.13	415.82	445.41	419.07	440.92	480.37	475.94
Meat products	154.20	147.62	181.21	192.87	180.48	187.31	214.28	209.33
Dairy products	77.11	77.91	78.55	88.21	91.51	95.04	99.80	103.79
Poultry	25.44	24.44	25.62	26.48	22.68	24.21	25.87	23.04
Eggs	24.12	23.69	23.24	28.30	20.95	23.40	29.78	27.64
Bakery and cereal products	26.70	26.93	27.76	30.58	29.32	27.60	27.68	29.35
Fresh fruits	16.49	15.49	13.52	14.83	14.26	18.89	15.86	14.38
Fresh vegetables	17.46	21.14	24.69	23.25	21.92	23.84	25.08	25.72
Processed fruits and vegetables	19.09	22.17	22.47	21.26	19.75	23.01	23.87	22.20
Fats and oils	9.95	10.16	11.56	12.23	10.78	9.77	9.98	12.12
Miscellaneous products	7.38	7.58	7.19	7.40	7.42	7.85	8.17	8.37
Farm-retail spreads for--								
Market basket	629.00	631.79	621.33	647.08	661.57	677.62	695.55	747.45
Meat products	132.63	133.35	126.02	138.61	139.13	141.26	148.89	170.32
Dairy products	100.59	100.66	99.43	101.08	105.03	106.74	108.19	114.15
Poultry	21.17	21.19	21.45	23.26	23.42	23.57	24.72	26.52
Eggs	15.16	15.09	14.46	14.42	14.50	14.69	14.94	16.49
Bakery and cereal products	132.47	133.64	133.63	136.63	141.41	143.88	147.97	155.49
Fresh fruits	29.74	30.07	29.56	31.00	31.75	35.50	35.63	36.93
Fresh vegetables	40.55	43.61	45.75	45.57	46.60	48.65	50.88	55.37
Processed fruits and vegetables	89.95	87.85	83.93	88.10	89.22	92.43	92.15	96.55
Fats and oils	25.08	24.56	25.71	26.47	28.00	28.11	27.88	28.55
Miscellaneous products	41.66	41.77	41.40	41.94	42.51	42.78	44.30	47.08

1/ Retail cost of average quantities purchased annually per household in 1960-61 by families of urban wage earners and clerical workers and workers living alone.

2/ Payment to farmer for equivalent quantities of farm products minus imputed value of byproducts obtained in processing.

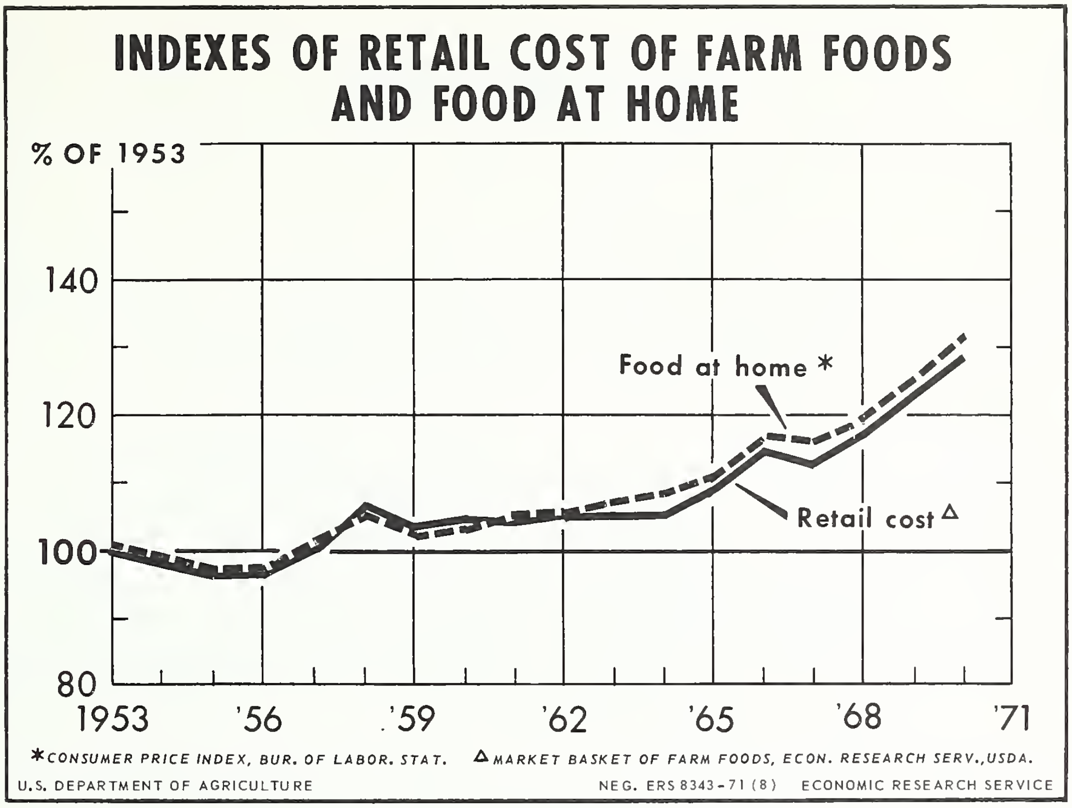


Figure 1

1. The market basket contains only food originating on U.S. farms, whereas the BLS index also includes fishery products and imported foods. The market basket sample includes six farm foods not in the CPI. (For contents of this sample, see table 23).

2. Weights assigned individual foods differ somewhat.

3. Market basket retail cost, unlike the BLS index, is not affected by changes in retail sales taxes.

4. ERS and BLS have used different procedures to maintain comparability over time. Partly for this reason, market basket retail cost has risen less since 1952 than the BLS food-at-home index.

In most years since 1947, retail cost of farm foods has risen less than has the CPI or most of its major components (fig. 2). Thus, retail food prices have been a major factor in holding down the rise in the CPI.

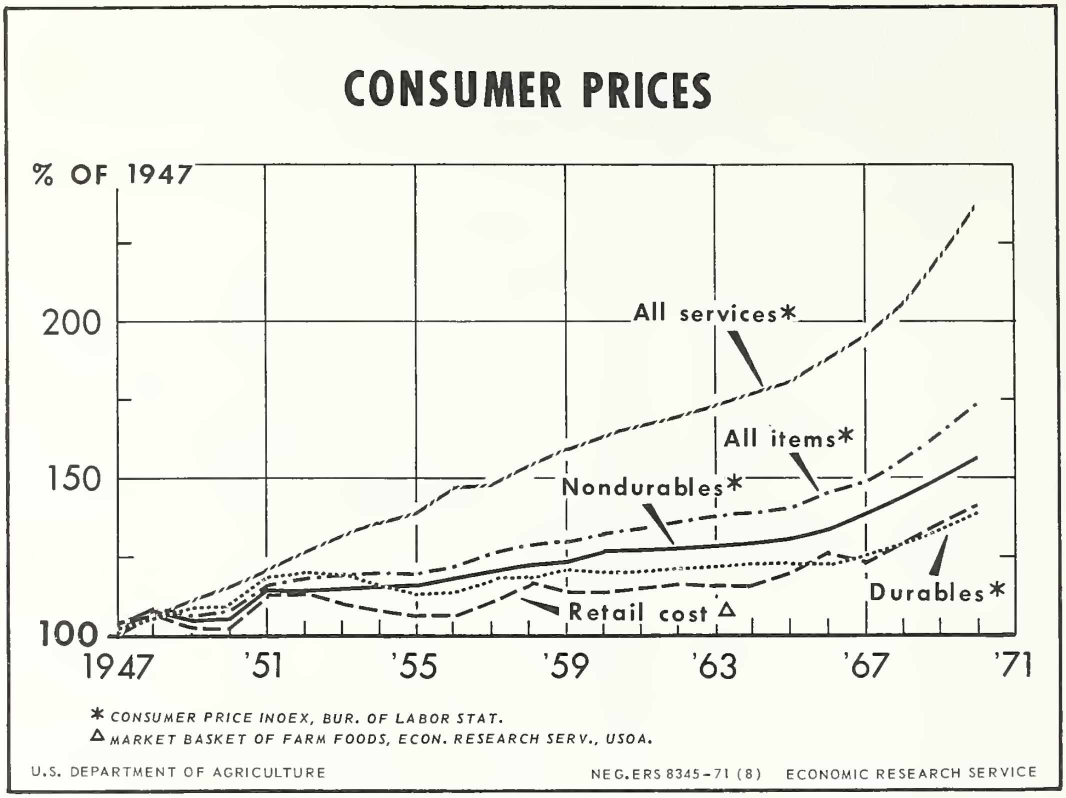


Figure 2

Farm Value

Farm value is the return or payment received by the farmer from the retail price of a food. Part of the farmer's return (gross farm value) from the quantity of a farm product equivalent to a unit of a food sold at retail may arise from the value of byproducts derived in processing. To obtain a farm value comparable to the retail price, the value of the byproduct is estimated and subtracted from the gross farm value. Farm values of many products are not returns at the farm; rather, they are returns from products delivered to establishments of marketing firms--the point of first sale. Thus, these farm values include farm-to-market delivery costs. From farm value, the farmer pays his production and selling costs.

Market basket farm value serves as an index of prices farmers receive for products later used as food. Because of variation in the byproduct allowance, the percentage change in farm value of a food with a byproduct is not always the same as the percentage change in the price of the farm product from which the food item is processed. Nevertheless, net farm value and price received by the farmer vary in a similar pattern. Changes in byproduct allowances rarely if ever are large enough to affect significantly the variation in market basket farm value.

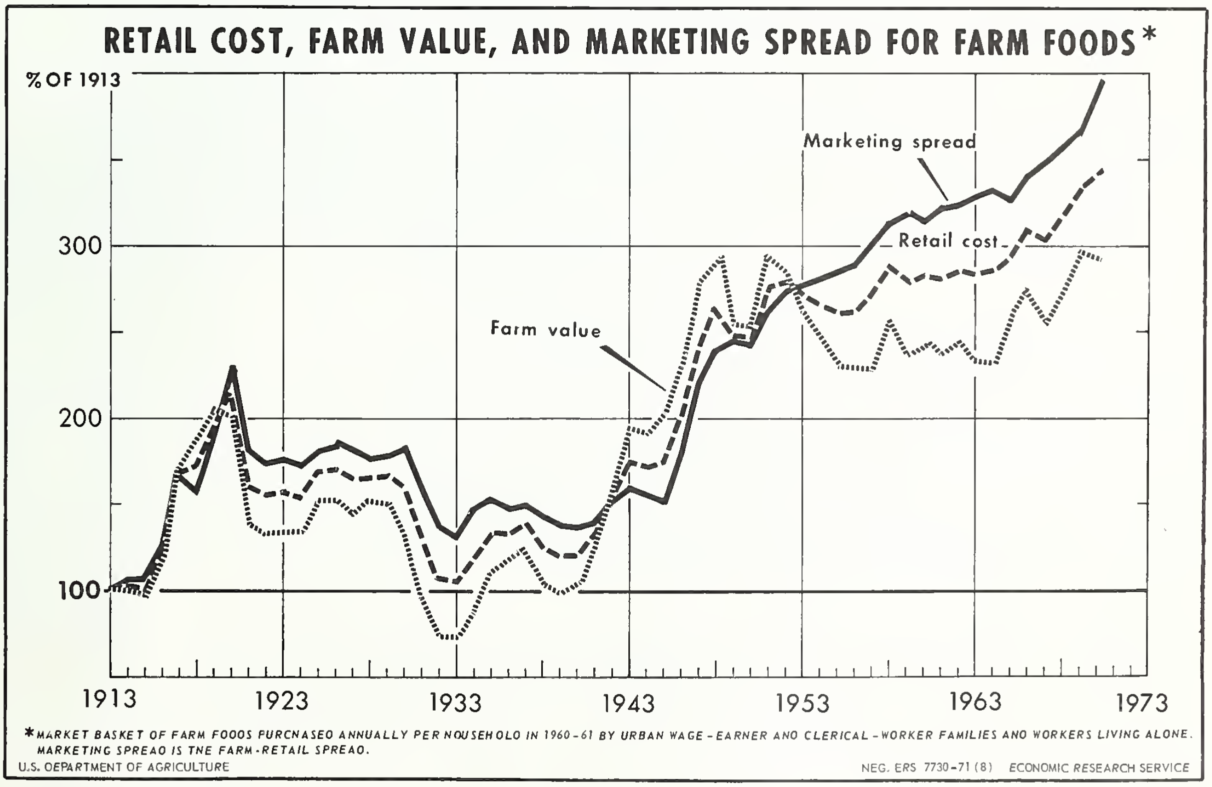
Farm-Retail Spread

Farm-retail spread is the difference between retail price and the farm value of a product. Sometimes the spread is called the marketing margin and sometimes the marketing charge, since it is the gross margin received (or charge made) by marketing firms, and consists of their costs and profits.

The market basket farm-retail spread may be regarded as an index of charges for (or prices of) performing services connected with marketing a fixed quantity of foods of a constant type and quality. Types of services performed per unit of food marketed have changed over the years, but these changes have not been a major source of variation in farm-retail spreads.

Many of the larger costs in the farm-retail spread are relatively inflexible. Wages of many marketing firm employees are fixed by contracts between unions and employers and generally are not changed until time for renegotiation. Rents usually are not changed until leases expire. Freight rates of railroads and many motortruck carriers and charges for electric power, telephone, telegraph, and other public utilities are fixed by Government agencies. These rates generally are changed only after applications have been made and public hearings held. All these conditions lead to less flexiblity from year to year in farm-retail spread than in farm and retail prices (fig. 3).

Probably there are more rigidities in the marketing cost structure now than ever before. Today's rising taxes, higher depreciation charges on plant and equipment, wage contracts, and minimum wage laws all contribute to less flexibility in the costs making up margins or spreads.



RETAIL COST, FARM VALUE, AND MARKETING SPREAD FOR FARM FOODS*

*MARKET BASKET OF FARM FOODS PURCHASED ANNUALLY PER HOUSEHOLD IN 1960-61 BY URBAN WAGE-EARNER AND CLERICAL-WORKER FAMILIES AND WORKERS LIVING ALONE. MARKETING SPREAD IS THE FARM-RETAIL SPREAD.

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Figure 3

Prices and costs in the nonagricultural sector of the economy largely determine trends in spreads for food products. Long-term trends in spreads tend to parallel rather closely movements in the general price level (fig. 4). This parallel is not surprising as food-marketing agencies purchase many goods and services from the nonagricultural sector.

Farmer's Share

The farmer's share is the percentage of retail price accounted for by farm value, or the amount the farmer receives from the dollar the consumer spends for farm foods in retail foodstores. 4/ The remainder of this dollar goes to marketing firms. Over time, farmer's share data reflect relative changes in farm and retail food prices.

The size of the farmer's share is not a direct measure of the farmer's economic welfare or of equity. For example, farmer's shares of 66 percent for eggs and 22 percent for fresh oranges do not mean egg producers are more prosperous or receive a fairer proportion of retail prices than orange growers do.

4/ The farmer's share of this dollar is larger than that of the dollar spent in eating places away from home, where prices of food are higher. Thus, farmer's share of the dollar spent in retail foodstores is also larger than his share of the consumer's total expenditure for domestic farm-originated foods.

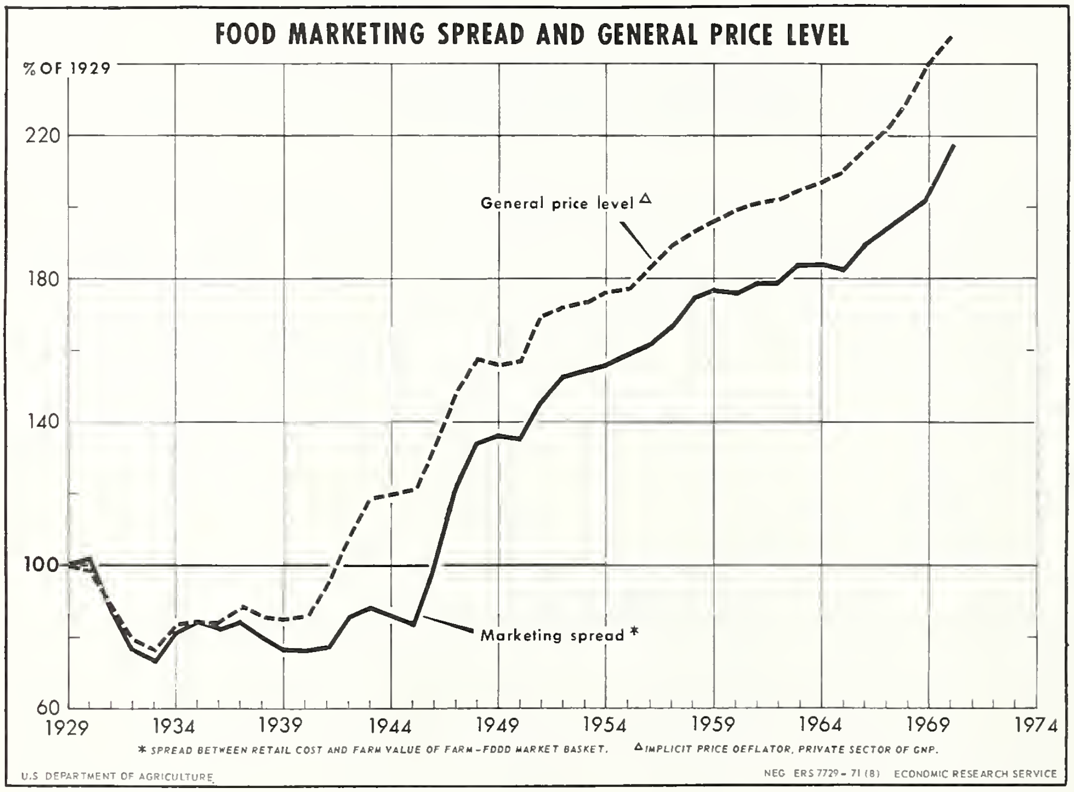

Figure 4

In general, farmers receive more of the consumer's dollar for animal products than for crops because animal products generally require more inputs and thus have higher farm values.

The disposition of products after they leave the farmer also influences the size of his share. All products need various amounts of processing, packaging, transportation, and other marketing services. Some products, such as bakery and cereal goods and fruits and vegetables, require considerable processing and packaging or are costly to distribute. These factors account in part for the small share the farmer receives of the dollar spent for these products.

The farmer's share of the retail cost of foods in the market basket has varied closely with the Parity Ratio--the ratio of the Index of Prices Received by Farmers to the Parity Index (prices paid, interest, taxes, and farm wage rates). A decrease in the Parity Ratio means farmers receive less for products they sell relative to prices they pay for goods and services. A decline in the farmer's share means that prices received by farmers have declined relative to prices in retail foodstores.

The Parity Ratio and the farmer's share have varied in a similar pattern because market basket retail cost and the Parity Index have varied together closely, as have market basket farm value and the Index of Prices Received by Farmers. Because of these price relations, it seems probable that in the short run, changes in the farmer's share often accompany changes in the farmer's economic position--a decrease in his share is often associated with a decrease in his real income.

FARM-RETAIL SPREADS, 1913-70

During 1913-70, the major up-and-down movements in the three market basket series--farm-retail spread, retail cost, and farm value--were affected by war, depression, inflation, and deflation (table 3 and fig. 3). Market basket totals jumped during World War I, dropped sharply during the 1920-21 deflation and the depression of the 1930's, and spurted upward again during World War II and the conflicts in Korea and Vietnam.

Between 1914 and 1920, farm prices of farm food products doubled (as measured by farm value in table 3 and fig. 3). Retail prices rose more slowly than farm prices during World War I but increased rapidly during the postwar boom. Sharp decreases in all three series between 1920 and 1921 accompanied the severe drop in the general price level that began in the second half of 1920. The 1920-22 recession had a more drastic effect on farm value than on retail cost and farm-retail spread. The 1921-29 period was marked by relative price stability with no great changes in relation between farm and retail prices and margins.

Table 3.--Market basket of farm-food products: Indexes of retail cost, farm value, farm-retail spread, and farmer's share of retail cost, 1913-70 1/

(1967=100)

Year	Retail cost	Farm value	Farm-retail spread 2/	Farmer's share
				Percent
1913 ...	33	39	29	46
1914 ...	34	39	30	45
1915 ...	33	38	30	44
1916 ...	40	46	36	44
1917 ...	55	66	48	47
1918 ...	57	74	46	51
1919 ...	64	79	54	48
1920 ...	71	78	66	43
1921 ...	53	54	53	40
1922 ...	51	52	50	39
1923 ...	51	52	51	39
1924 ...	51	52	50	40
1925 ...	55	59	52	42
1926 ...	56	59	54	41
1927 ...	54	57	53	41
1928 ...	54	59	52	42
1929 ...	54	58	52	42
1930 ...	53	52	53	38
1931 ...	42	38	45	35
1932 ...	36	29	40	31
1933 ...	35	29	38	32
1934 ...	39	34	40	34
1935 ...	43	43	42	38
1936 ...	44	45	43	40
1937 ...	45	48	43	41
1938 ...	41	41	41	38
1939 ...	40	39	40	38
1940 ...	40	41	39	40
1941 ...	44	49	40	44
1942 ...	51	62	44	47
1943 ...	57	75	47	51
1944 ...	56	74	47	51
1945 ...	57	79	47	53
1946 ...	66	89	53	53
1947 ...	80	107	63	52
1948 ...	86	114	69	51
1949 ...	82	100	70	47
1950 ...	81	99	70	47
1951 ...	90	114	75	49
1952 ...	91	110	80	47
1953 ...	88	102	80	45
1954 ...	87	97	81	43
1955 ...	85	90	82	41
1956 ...	86	89	83	40
1957 ...	89	93	86	40
1958 ...	94	100	90	41
1959 ...	92	92	92	39
1960 ...	92	94	91	39
1961 ...	92	92	93	39
1962 ...	93	94	93	39
1963 ...	93	90	95	38
1964 ...	93	90	96	37
1965 ...	96	99	94	40
1966 ...	101	106	98	41
1967 ...	100	100	100	39
1968 ...	104	105	102	39
1969 ...	109	115	105	41
1970 ...	113	113	113	39
1971 ...				
1972 ...				
1973 ...				

1/ The dollar totals for market basket retail cost, farm value, and farm-retail spread, published quarterly in the Marketing and Transportation Situation, Economic Research Service, U.S. Department of Agriculture, can be converted to index numbers by dividing by the following totals for 1967: retail cost, $1,080.64; farm value, $419.07; and farm-retail spread, $661.57.

2/ The farm-retail spread was adjusted to exclude processing taxes in 1933-35 and to include Government payments to processors in 1943-46.

The stability of the late 1920's was ended by the steepest decline recorded in market basket totals. During the depression following the 1929 "crash," farm prices fell faster than spreads. This was the only period except the 1920-21 recession in which the farm-retail spread declined markedly. From 1929 to 1933, farm value decreased 50 percent; retail cost 35 percent; and the spread, 27 percent.

Between 1933 and 1937, farm values rose enough to regain their 1929 relations with retail prices and spreads. By 1940, farm value averaged 41 percent higher than in 1933. However, retail cost averaged only 14 percent higher, since the farm-retail spread had increased only 3 percent.

Farm prices of food products rose faster during World War II than retail prices or farm-retail spreads. Farm value of the market basket almost doubled from 1940 to 1945, compared with a 42-percent rise in retail cost and only an 11 percent increase in farm-retail spread. In part, this larger rise in farm values reflected the relatively low level of farm product prices in 1940 and the greatly increased demand for farm products with the outbreak of World War II. But this larger rise in farm values also partly reflected the use of price controls and subsidy payments. During World War II, the Government paid subsidies to processors and distributors of some commodities to enable them to pay relatively high prices to producers and yet keep prices to consumers relatively stable. The farm-retail spread when adjusted for these subsidy payments was 21 percent wider in 1945 than in 1940.

With the removal of price controls and subsidy payments in mid-1946, farm values, retail prices, and farm-retail spreads rose rapidly and at about the same rate between 1946 and 1948. The peak came in 1948, when retail cost averaged 115 percent higher than in 1940, farm value was up 178 percent, and farm-retail spread had increased 77 percent (table 3). The decline in market basket retail cost and farm value that began in the last quarter of 1948 ended early in 1950. The annual average farm-retail spread decreased slightly in 1950 (table 27). It did not decrease again until 1960. For a short period at the beginning of the Korean conflict, farm prices of food products rose rapidly, but after 1951, the trend was generally downward. This decline continued until mid-1956 and was accompanied by a decline in retail cost during 1953-55, despite continued widening of the farm-retail spread.

Both retail cost and farm value rose in 1957-58 and decreased in 1959. The volume of U.S. farm foods marketed for domestic civilian consumption decreased 6 percent per capita from 1956 to 1958 and increased 2 percent from 1958 to 1959.

During 1959-64, all three of the market basket totals were relatively stable. Retail cost increased 2 percent; farm-retail spread increased 4 percent; and farm value decreased 2 percent (table 27).

The market basket totals moved up swiftly during most of the latter half of the 1960's because of the inflationary spiral resulting from U.S. involvement in Vietnam. Increasing consumer demand, spurred by rapidly rising disposable income, and relatively stable farm marketings bolstered farm values and retail costs annually except in 1967. Farm-retail spreads, which decreased slightly in 1965, increased each year during the period. In 1965, farm values for meat animals increased faster than retail prices, causing marketing spreads to narrow. In 1966, spreads increased sharply and by 1969 were 12 percent wider than in 1965. In 1970, because of lack of retail response to declining farm values, marketing spreads widened about 7 percent. Thus, between 1965 and 1970, farm-retail spread increased 20 percent.

COST AND PROFIT COMPONENTS OF PRICE SPREADS

Changes in farm-retail spreads over time are determined mainly by changes in costs of all factors involved in processing and distributing. The margin or spread between retail cost and farm value represents an accumulation of charges made by agencies moving products from the farmer to the consumer. This spread includes all costs and taxes of these agencies plus their profits.[5]

Labor Costs

For many food-marketing firms, about half of total costs, excluding charges for raw materials, are for labor. Thus, labor costs have a major effect on farm-retail spreads. Such costs have risen with the upward trend in hourly earnings for employees of food-marketing firms (table 4). Since 1947, hourly earnings of these employees have increased each year, closely approximating increases in similar types of employment in the nonagricultural sector of the economy.

Fringe benefits per hour worked have increased faster than hourly earnings. The Office of Business Economics (OBE), U.S. Department of Commerce, reports total supplements to wages and salaries. These include: (1) employer contributions to social security insurance; (2) other labor income, including compensation for injuries and employer contributions to private pension funds; and (3) other minor items. ERS has expressed these total supplements as percentages of total payments of wages and salaries to compare the relative growth in supplements and in wages and salaries. Data are not available for the wholesale food trade or for individual retail foodstores. In food manufacturing and all wholesale and retail trade, supplements as a percentage of total wages and salaries were more than twice as large in 1966-68 as in 1947-49 (table 5).

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[5] For additional information on costs, see (7). Underscored numbers in parenthesis refer to items in Literature Cited at the end of this report.

Table 4.--Hourly earnings of employees of food-marketing establishments, 1947-70

Period	Manufacturing	Wholesaling	Retailing	Average 1/
	Dollars			
Average:				
1947-49	1.14	1.17	1.01	1.11
1957-59	1.94	1.89	1.58	1.82
1967-69	2.80	2.83	2.28	2.67
1947	1.06	1.10	.94	1.03
1948	1.15	1.18	1.02	1.12
1949	1.21	1.22	1.07	1.17
1950	1.26	1.28	1.10	1.22
1951	1.35	1.37	1.19	1.31
1952	1.44	1.45	1.24	1.38
1953	1.53	1.53	1.30	1.46
1954	1.59	1.58	1.35	1.51
1955	1.66	1.65	1.41	1.58
1956	1.76	1.74	1.47	1.67
1957	1.85	1.82	1.54	1.75
1958	1.94	1.89	1.59	1.82
1959	2.02	1.97	1.60	1.88
1960	2.11	2.03	1.68	1.96
1961	2.17	2.09	1.76	2.03
1962	2.24	2.16	1.83	2.10
1963	2.30	2.23	1.90	2.16
1964	2.37	2.28	1.98	2.23
1965	2.43	2.36	2.06	2.30
1966	2.52	2.49	2.13	2.40
1967	2.64	2.66	2.23	2.52
1968	2.79	2.83	2.38	2.67
1969	2.95	3.00	2.54	2.84
1970	3.16	3.31	2.70	3.03
1971				
1972				
1973				

1/ Weighted composite earnings of production employees in food manufacturing and nonsupervisory employees in wholesale and retail food trades were calculated by the Economic Research Service from data in the other three columns of this table. These data are published by the Bureau of Labor Statistics, U.S. Department of Labor.

Table 5.--Total supplements to wages and salaries as percentage of total wages and salaries, selected industries, 1947-49 and 1966-68

Period	Food and kindred products manufacturing	All wholesale trade	All retail trade
	Percent		
1947-49	4.6	2.9	3.2
1966-68	12.2	7.2	7.8

Source: Calculated from data published in the Survey of Current Business, Office of Business Economics, U.S. Department of Commerce.

Since 1947, improvements in output per man-hour have kept labor cost per unit of farm product marketed from rising as much as labor cost per hour (table 6). From 1947 to 1969, output per man-hour in food-manufacturing plants increased at an average annual rate of 3.0 percent (compounded), compared with 3.1 percent for all manufacturing industries. 6/ Output per man-hour in the wholesale and retail food trade increased at an average annual rate of 3.3 percent from 1948 to 1963 (latest year for which data are available). 7/ This rate compared with annual rates of 3.5 percent for food manufacturing and 2.7 percent for all nonmanufacturing industries in the nonagricultural private sector.

Technological improvements and economies of scale probably were the major causes of growth in output per man-hour in marketing food products during 1947-69. Food-manufacturing industries have extensively used assembly-line procedures, continuous processes, automatic equipment, and electronic control devices. Improvements in plant layout and in materials handling in manufacturing plants, warehouses, and stores; bulk handling of milk, flour, sugar, and other foods; less frequent home delivery of fresh milk; and many other innovations have reduced man-hours per unit of product. Larger, more efficient establishments have replaced many smaller, less efficient ones.

Reductions in labor costs achieved through substitution of capital for labor are, of course, offset to some extent by increases in depreciation, insurance, interest, and maintenance costs.

6/ Rate of increase was computed from output per man-hour index published in (10) and (12).

7/ Rate of increase was between these 2 years only, and is taken from (9, p. 19). Indexes of output per man-hour in the wholesale food trade and retail foodstores are available for census years only.

Table 6.--Average hourly and unit labor cost for marketing domestic farm-originated foods, 1947-70

(1967=100)

Year	Labor cost		Year	Labor cost	
	Hourly 1/	Unit 2/		Hourly 1/	Unit 2/
1947	39	63	1960	74	86
1948	43	71	1961	77	85
1949	45	72	1962	82	88
			1963	85	88
1950	47	73	1964	87	88
1951	50	78	1965	90	93
1952	52	79	1966	95	97
1953	55	80	1967	100	100
1954	58	81	1968	108	107
1955	60	80	1969	114	113
1956	62	81			
1957	65	83	1970	123	121
1958	69	85	1971		
1959	70	85	1972		
			1973		

1/ Derived by dividing total labor cost, including supplements to wages and salaries, by total man-hours worked.

2/ Quotient of indexes of total labor cost and volume of farm-food products marketed to U.S. civilian consumers.

Improvements in the quality of labor and management have accounted for part of the growth in output per man-hour. Quality of these inputs has been enhanced by education, on-the-job training, and improved health services.

Transportation Costs

Transportation charges vary widely from product to product, depending on distance shipped, perishability, and bulk. The cost of transporting fresh fruits and vegetables may average 21 percent of the farm-retail spread, compared with 6 to 9 percent for processed dairy products (17, pp. 16-17).

For a quarter of a century, costs of intercity transportation amounted to roughly 8 to 10 percent of the farm-retail spread, based on data from the farm-food marketing bill. Costs of intercity shipments of farm and food products by rail and truck represented about 8 percent of the marketing bill in 1967-69, 10 percent in 1957-59, and 9 percent in 1947-49 (11).

Rail freight rates on farm-food products rose rapidly in the early post-World War II years and more slowly during the 1950's. An index of these rates for selected agricultural commodities--mostly foods--rose 55 percent from 1947 to 1958 (table 7). After 1958, the railroads made frequent selective reductions in rates to compete more effectively with truck and barge carriers. As a result, the general level of rail freight rates trended downward for several years and leveled off in the mid-1960's (table 8). The Interstate Commerce Commission (ICC) granted rate increases in 1967-70, in response to evidence presented by the railroads that their costs had increased relative to their revenues. In 1970, the combined rate for food products averaged 3 percent higher than in 1957-59.

Much of the tonnage of farm products and unprocessed food products is carried by trucks that are exempt from ICC rate regulation. Most food products that move on inland waterways are classified as bulk commodities, which also are exempt from such regulation. Hence, rate data on these shipments are not regularly available, but the rates are assumed to have followed the same trend as rail rates.

Cost for Intermediate Goods and Services

In addition to labor and transportation charges, marketing agencies incur a wide variety of other costs. To perform the multitude of services required in marketing domestic farm-food products, assemblers, processors, wholesalers, and retailers buy a wide array of goods and services from nonfarm businesses not directly engaged in food marketing. Price changes for these intermediate goods and services are measured by an index which includes prices of packaging materials, fuel, power, light, office and restaurant supplies, rents, telephone, auto repair, and many other inputs. Items in this index account for about one-fourth of the total bill for marketing farm foods.

As with other inputs, increases in prices of intermediate goods and services that are not offset by increases in productivity result in higher unit marketing services and,consequently, in wider farm-retail spreads. Increases in the spreads tend to vary with prices of intermediate goods and services bought by food-marketing firms (fig. 5).

Prices of intermediate goods and services (not including raw material and labor) bought by food-marketing firms have increased steadily since World War II (table 9). Increases were unusually large in 1969 and 1970. Prices of services--rents, property insurance and maintenance, telephone, and so on--have risen more than prices of intermediate goods. In most years since 1947, prices of fuel, power, and light rose less than prices of the other goods but increased more in 1970.

Table 7.--Railroad freight rate indexes for specified commodities, 1947-59 1/

(1957-59=100)

Year	Livestock	Meat	Fruits and vegetables	Wheat	Cotton	Combined index 2/
1947 ...	57	63	73	61	76	65
1948 ...	68	77	84	73	86	76
1949 ...	74	84	87	77	91	81
1950 ...	75	86	89	79	93	83
1951 ...	77	89	89	81	96	84
1952 ...	84	95	94	87	104	90
1953 ...	86	97	95	89	108	93
1954 ...	86	97	95	89	108	93
1955 ...	86	97	95	89	105	92
1956 ...	90	101	98	94	101	96
1957 ...	97	107	102	99	100	101
1958 ...	102	101	100	101	100	101
1959 ...	101	92	97	100	100	99

1/ These indexes are based on actual rate levels; increases reflect those actually made by the railroads, and are somewhat below increases authorized by the Interstate Commerce Commission.

2/ Combined index for agricultural products was developed using individual index numbers. These were weighted by 1947-49 average revenue (in dollars) received by class I railroads for transporting the commodities.

Table 8.--Railroad freight rate indexes for specified commodities, 1957-70 1/

(1957-59=100)

Year	Livestock	Meat	Fruits and vegetables	Wheat	All grains	Soybeans	Combined index 2/
1957 ...	98	109	104	99	99	97	102
1958 ...	102	100	101	101	102	102	102
1959 ...	100	92	95	100	99	101	96
1960 ...	99	92	93	99	98	101	95
1961 ...	98	92	94	99	97	96	95
1962 ...	96	91	93	96	96	94	93
1963 ...	94	89	92	95	94	89	92
1964 ...	93	86	92	92	92	88	92
1965 ...	93	79	92	83	86	87	88
1966 ...	93	76	92	82	85	87	88
1967 ...	94	76	93	83	85	88	88
1968 ...	98	78	96	84	85	85	91
1969 ...	102	81	100	85	85	91	93
1970 ...	112	89	110	94	93	100	103
1971 ...							
1972 ...							
1973 ...							

1/ All indexes are based on averages of rates in effect during the year. Annual averages were computed by weighting rates by the number of days they were in effect. These indexes are published annually in the Marketing and Transportation Situation, Economic Research Service, U.S. Department of Agriculture.

2/ Food product groups weighted by average quantities marketed domestically in 1957-59.

Table 9.--Prices of inputs bought by food-marketing firms, 1947-70

(1967=100)

Year	Intermediate goods and services					New plants and equipment 3/	Yields on high-grade long-term bonds, per annum 4/	Average rate on short-term bank loans 5/
	Total	Goods			Services 2/			
		Total 1/	Containers and packaging materials	Fuel, power, and light				
							Percent	Percent
1947 ...	61	70	66	80	50	57	2.61	2.10
1948 ...	67	75	70	89	55	62	2.82	2.50
1949 ...	67	75	71	84	56	64	2.66	2.68
1950 ...	69	77	73	84	59	65	2.62	2.69
1951 ...	75	85	84	86	63	71	2.86	3.11
1952 ...	76	84	82	86	65	73	2.96	3.49
1953 ...	77	85	82	87	68	74	3.20	3.69
1954 ...	78	85	83	88	69	75	2.90	3.61
1955 ...	79	86	84	88	70	76	3.06	3.70
1956 ...	82	90	89	91	72	81	3.36	4.20
1957 ...	86	94	93	97	75	86	3.89	4.62
1958 ...	87	95	94	95	78	88	3.79	4.34
1959 ...	89	95	94	95	80	90	4.38	6/ 5.00
1960 ...	90	97	96	99	81	91	4.41	5.16
1961 ...	90	96	95	100	82	91	4.35	4.97
1962 ...	91	96	96	100	84	92	4.33	5.00
1963 ...	91	96	95	99	86	92	4.26	5.01
1964 ...	92	95	96	98	88	93	4.40	4.99
1965 ...	94	96	97	99	91	95	4.49	5.06
1966 ...	97	99	99	99	95	97	5.13	6.00
1967 ...	100	100	100	100	100	100	5.51	7/ 6.00
1968 ...	103	100	100	99	106	103	6.18	6.68
1969 ...	107	103	104	99	113	107	7.03	8.21
1970 ...	113	108	108	108	120	110	8.04	8.48
1971 ...								
1972 ...								
1973 ...								

1/ Also includes prices of office and restaurant supplies and many other goods.

2/ Rent, property insurance and maintenance, telephone, and so on.

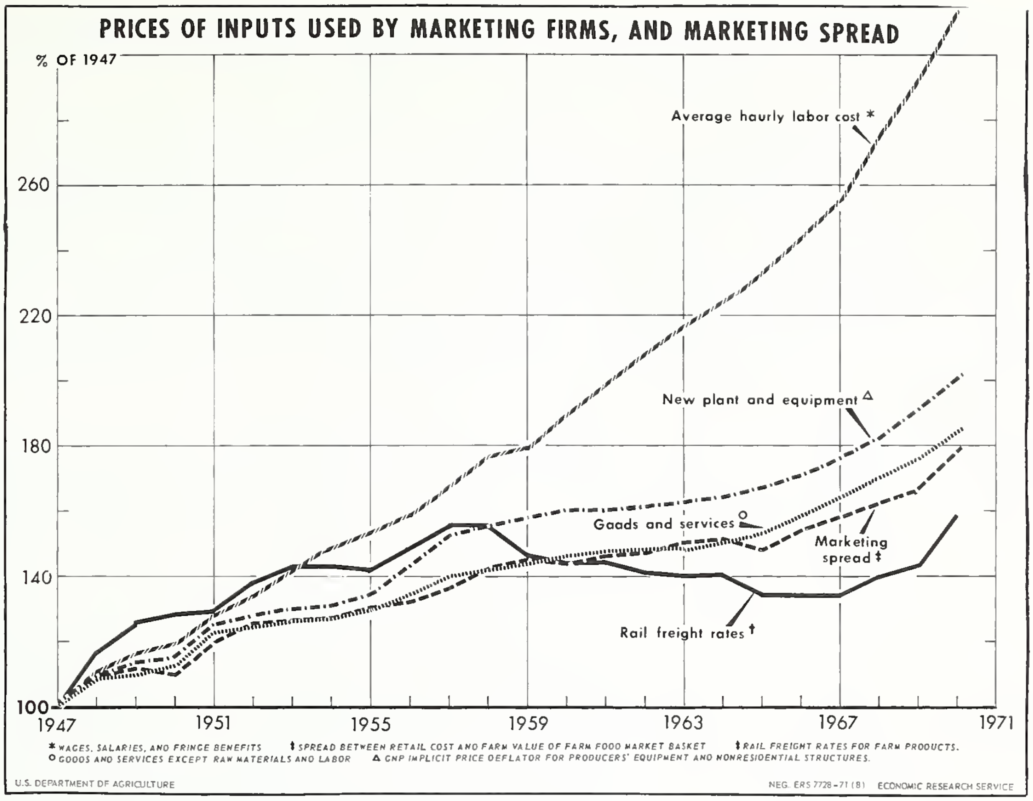
3/ Implicit price deflator for investment in nonresidential structures and producers' durable equipment, gross national product, from U.S. Department of Commerce.

4/ Aaa corporate bonds' data from Moody's Investor Service. These yields indicate the cost of current long-term loans.

5/ Rate reported by Board of Governors, Federal Reserve System.

6/ Beginning in 1959, series revised to exclude loans to nonbank financial institutions.

7/ Beginning in February 1967, series revised to incorporate changes in coverage, sample of reporting banks, and reporting period, which was shifted to the middle month of the quarter.



* WAGES, SALARIES, AND FRINGE BENEFITS ‡ SPREAD BETWEEN RETAIL COST AND FARM VALUE OF FARM FOOD MARKET BASKET † RAIL FREIGHT RATES FOR FARM PRODUCTS.
○ GOODS AND SERVICES EXCEPT RAW MATERIALS AND LABOR △ GNP IMPLICIT PRICE DEFLATOR FOR PRODUCERS' EQUIPMENT AND NONRESIDENTIAL STRUCTURES.

U.S. DEPARTMENT OF AGRICULTURE NEG. ERS 7728-71 (8) ECONOMIC RESEARCH SERVICE

Figure 5

Other Costs

Prices of new plants and equipment rose rapidly in the second half of the 1960's, following a period of relative stability. Increases in these prices show up later in rising depreciation charges.

Rising interest rates helped boost food-marketing costs in the second half of the decade. Rates on high-grade, long-term bonds, which reflect current rates on long-term loans, averaged 7.1 percent in 1968-70 (8.0 percent in 1970) compared with 4.2 percent in 1958-60 (table 9). Rates on short-term bank loans generally moved in the same direction as long-term rates, but they increased more from 1947 to 1970 than did long-term rates.

Corporate Profits

Profits of food-marketing corporations fluctuate more from year to year than do farm-retail spreads and costs of goods and services bought by marketing firms.

During 1957-70, after-tax profits of food-manufacturing corporations as a percentage of stockholders' equity varied from 8.8 percent in 1957 to 11.5 percent in 1966 (table 10). As a percentage of sales, these profits varied from 2.1 percent in 1957-58 to 2.6 percent in 1965. Profit rates were definitely higher after 1963 than before.

Table 10.--Net profits (less provisions for Federal income taxes) as percentage of stockholders' equity and sales for food-manufacturing corporations and leading retail food chains, 1947-70

Year	Food-manufacturing corporations' profits 1/ as percentage of--		Retail food chains' profits 2/ as percentage of--	
	Stockholders' equity	Sales	Stockholders' equity	Sales
	Percent			
1947 ...	17.6	4.2	17.8	1.4
1948 ...	12.8	3.3	16.2	1.3
1949 ...	11.8	3.3	15.7	1.4
1950 ...	12.3	3.4	14.0	1.3
1951 ...	8.1	2.0	10.1	.9
1952 ...	7.6	1.9	10.0	.8
1953 ...	8.1	2.0	11.4	1.0
1954 ...	8.1	2.1	11.3	1.0
1955 ...	8.9	2.3	11.2	1.0
1956 ...	9.3	2.4	13.1	1.1
1957 ...	8.7	2.2	14.2	1.2
1957 ...	8.8	2.1	14.9	1.3
1958 ...	9.2	2.1	14.5	1.3
1959 ...	9.6	2.3	13.4	1.3
1960 ...	9.2	2.2	13.0	1.3
1961 ...	9.4	2.2	12.0	1.2
1962 ...	9.2	2.2	11.7	1.2
1963 ...	9.3	2.2	11.4	1.2
1964 ...	10.4	2.5	11.5	1.3
1965 ...	11.0	2.6	11.3	1.2
1966 ...	11.5	2.5	11.4	1.2
1967 ...	11.1	2.4	10.3	1.1
1968 ...	10.9	2.4	10.3	1.1
1969 ...	11.0	2.4	10.4	1.1
1970 3/	10.9	2.3	10.0	1.0
1971 ...				
1972 ...				
1973 ...				

1/ Compiled from data in Quarterly Financial Report for Manufacturing Corporations, published by Federal Trade Commission and Securities and Exchange Commission. Data for 1947-57 are for corporations manufacturing food and kindred products including alcoholic beverages. Data for 1957-70 are for corporations mainly manufacturing food and kindred products.

2/ Compiled from Moody's Industrial Manual and company annual reports. Data for 1947-57 are for 8 leading food chains; data for 1957-70, for 15 leading food chains.

3/ Preliminary.

As a percentage of sales, average profits after taxes were about half as large for food-manufacturing corporations as for all manufacturing corporations during 1957-70. But as a percentage of stockholders' equity, after-tax profits of food-manufacturing corporations sometimes exceeded the overall average. In 1970, profits of food-manufacturing corporations averaged 2.3 percent of sales and 10.9 percent of stockholders' equity. These rates compared with 4.0 percent and 9.3 percent, respectively, for all manufacturing corporations. Sales per dollar of assets were larger for the food industry than for the manufacturing industries as a group. Thus, the food manufacturers' ratio of profits to stockholders' equity was fairly close to the average for the manufacturing group, although their ratio of profits to sales was about half the average for the group.

After-tax profits of 15 leading retail food chains during 1957-70 varied from 14.9 percent of stockholders' equity in 1957 to 10.0 percent in 1970. Ratios of profits to sales varied from 1.3 percent during 1957-60 and 1964 to 1.0 percent in 1970.

OTHER FACTORS AFFECTING SPREADS

Disposable Personal Income

Variations in disposable personal income affect the demand for food and thereby retail food prices and market basket retail cost. However, changes in income usually are associated with relatively smaller changes in food expenditures (table 11). Changes in income have less effect on the quantity of food purchased than on expenditures for food. As their income increases, consumers substitute more expensive foods for less expensive foods. The opposite is true when income declines.

Purchasing patterns usually differ with the level of income. In 1965, quantities purchased of beef, the processed vegetables group, and processed potatoes each increased 3 percent or more with each 10-percent increase in income level. Conversely, consumption of cereal products and eggs both declined slightly as income increased. On the average, a 10-percent increase in per capita income boosted per capita food consumption 1.5 percent in 1955 and 1.6 percent in 1965 (5).

Regression analysis shows a decline in the effect of income on the quantity of food consumed and on retail food prices since World War II. A 10-percent change in per capita income resulted in an average change of 2.4 percent in quantity consumed per capita between 1926 and 1941, compared with a 1.5-percent average change between 1948 and 1962. Similarly, a 10-percent change in per capita income resulted in a 10-percent average change in retail cost of a market basket of farm foods between 1926 and 1941, compared with a 5-percent average change in 1948-62 (26, pp. 22-23). Between 1960 and 1970, the effect of income on retail cost and quantity consumed was even weaker. During this period, a 10-percent change in per capita income resulted in a 1.0-percent change in quantity consumed per capita and a 2.8-percent change in retail cost.

Table 11.--Per capita expenditures for food as a percentage of disposable income, 1947-70

Year	Disposable personal income	Personal consumption expenditures for food 1/	
		Actual	Percentage of disposable income
	Dollars		Percent
1947	1,178	303	25.7
1948	1,290	316	24.5
1949	1,264	300	23.7
1950	1,364	303	22.2
1951	1,469	338	23.0
1952	1,518	349	23.0
1953	1,583	348	22.0
1954	1,585	348	22.0
1955	1,666	352	21.1
1956	1,743	359	20.6
1957	1,801	373	20.7
1958	1,831	382	20.9
1959	1,905	386	20.3
1960	1,937	388	20.0
1961	1,983	392	19.8
1962	2,064	399	19.3
1963	2,136	404	18.9
1964	2,280	419	18.4
1965	2,432	441	18.1
1966	2,600	467	18.0
1967	2,744	472	17.2
1968	2,939	495	16.8
1969	3,120	522	16.7
1970	3,358	557	16.6
1971			
1972			
1973			

1/ Derived from estimates by the Office of Business Economics (OBE), National Income Division, Department of Commerce. Includes value of food produced on U.S. farms, imported foods, seafoods, food furnished military personnel, and food consumed on farms where produced. Omits alcoholic beverages; food donated by Government agencies to schools and needy persons; and nonpersonal spending for food, such as business purchases of meals, food furnished inmates of hospitals and institutions, and food included with transportation tickets and camp fees.

Disposable personal income also affects the market basket farm-retail spread. Changes in wage and salary rates, unless offset by changes in productivity, are reflected in farm-retail spreads. Wages and salaries paid by business firms account for more than half of total personal income. Prices of materials and services used in food marketing similarly are influenced by changes in income.

Disposable personal income affects farm value through its influence on retail cost and farm-retail spread. However, the upward trend in disposable income since the early 1950's has been accompanied by almost steady increases in retail cost and farm-retail spread, but in most years, farm value has been below its level at the beginning of the 1950's.

Demand for farm foods is further influenced by changes in consumer tastes, growth in population, and changes in the age composition of the population.

Quantity of Products Marketed

Variations in the quantity of domestic farm-originated food products marketed affect the supply of these foods available for purchase by U.S. consumers; thus, they affect farm value and retail cost. Year-to-year variations in the total quantity of food marketed generally are relatively small because increases in marketings of some products are usually at least partly offset by decreases for other products. For this reason, changes in marketings have a greater effect on farm values and retail costs of individual products than on the market basket.

Farm-retail spreads for meat, poultry, and some other products in the market basket usually vary inversely with changes in farm value. In contrast, farm-retail spreads for fresh fruits and vegetables and some other products tend to vary directly with farm value.

Seasonal Variations

For long-term comparisons, farm-retail spread tends to parallel the general trends in cost items discussed in the preceding section. But monthly changes in farm-retail spreads show little correspondence to changes in marketing costs. This minimal correlation is particularly true of meat products, eggs, and fresh fruits and vegetables. Rapid fluctuations in supplies and prices are not uncommon for these products.

A part of the month-to-month movements in farm and retail food prices and farm-retail spreads can be attributed to more or less regular recurring seasonal variations in marketings of farm-food products. Production and marketing of almost all farm products are seasonal. Because of their perishability, some products are marketed within a few weeks or months after harvest. Others, like milk and eggs, are produced all year but also have marked seasonal variations. Usually, retail prices for nonperishables and processed products vary less seasonally because peak marketings at the farm level can be evened out over the year in retail sales to consumers. Seasonal farm-price movements for products, such as grains, that account for a small part of retail prices of processed products have little impact on retail prices. Products with alternative uses--fresh and processed--also tend to have less seasonal variation than products whose only or major use is in the fresh form.

Seasonal indexes for the market basket represent the composite of seasonal indexes for products and product groups. Seasonal movements in market basket totals are relatively small, although retail prices, farm values, and farm-retail spreads of many of the products have marked seasonal patterns. To some extent, variations for individual products are offsetting in their effects on market basket totals. Seasonal indexes of market basket totals were computed from monthly data for 1960-70 (table 12).

Seasonal changes are more pronounced for fresh fruits and vegetables than for any other group. Prices and spreads are highest in late spring and early summer, when marketing of many fruits and vegetables is at a seasonal low. Seasonal variations are fairly pronounced for meat products, but their monthly pattern is somewhat different than that of fresh fruits and vegetables.

Table 12.--Market basket of farm-food products: Seasonal indexes of retail cost, farm value, and farm-retail spread, 1960-70
(annual average = 100)

Month	Retail cost	Farm value	Farm-retail spread
January	100.1	100.4	99.8
February	99.9	100.3	99.6
March	99.5	100.3	99.4
April	99.5	98.6	100.1
May	99.4	98.7	100.4
June	100.0	99.6	100.5
July	101.1	101.6	100.1
August	100.9	101.5	100.6
September	100.6	101.5	99.9
October	100.0	99.5	100.1
November	99.4	98.7	99.9
December	99.7	99.2	99.9

II.--FARM-RETAIL SPREADS FOR PRODUCT GROUPS

MEAT PRODUCTS

The meat products group 8/ ranks first among market basket product groups in retail cost and farm value, and its farm-retail spread is second only to that of the fruits and vegetables group (table 2). In 1970, meat products

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8/ For a description of methodology used in computing totals for the meat products group and the individual items, see p. 71.

accounted for 31 percent of market basket retail cost, 44 percent of farm value, and 23 percent of farm-retail spread (table 13). The farmer's share of retail cost was 55 percent for meat products, compared with 39 cents for all market basket foods.

Retail prices and farm values of meat products have changed frequently and have caused much of the fluctuation in market basket retail cost and farm value.

The outstanding feature of the farm-retail spread for meat products has been its marked upward trend since 1947 and dramatic increase since 1969 (tables 29 and 30). The post-1947 increase has been accompanied by generally rising retail meat prices.

Table 13.--Meat products: Relative importance to market basket totals and farmer's share of consumer's food dollar, 1970

Meat product	Proportion of market basket totals			Farmer's share
	Retail cost	Farm value	Farm-retail spread	
	Percent			
Beef 1/	16.3	25.0	10.8	60
Pork 1/	12.6	15.9	10.5	49
Lamb	.9	1.2	.6	55
Veal	1.3	1.9	.9	57
Meat product group	31.0	44.0	22.8	55

1/ All grades.

Choice Beef

Farm value and retail price of Choice beef fluctuated widely between 1949 and 1965. The two series generally moved in patterns opposite to those of per capita beef production and consumption (fig. 6). Since 1965, however, farm value and retail price have trended upward along with per capita beef production and consumption--reflecting an increase in demand for beef.

Farm-Retail Spread

Farm-retail spread consists of the carcass-retail spread and the farm-carcass spread. Between 1949 and 1956, the farm-carcass portion increased slightly (table 31 and fig. 7). However, since 1956, it has declined. In contrast, carcass-retail spread increased 166 percent during 1949-70; the largest increase, 17 percent, occurred in 1969.

As a result of change in the carcass-retail spread, the farm-retail spread for Choice beef increased 98 percent during 1949-70, or 18.4 cents a pound (table 31).

Carcass-Retail Spread

The spread between carcass value 9/ and retail price represents mainly the average gross margin that retailers receive for selling beef. This spread also includes compensation for warehousing and delivery services performed by retail chains and other carlot buyers, including independent wholesalers who supply retail stores. The carcass-retail spread made up 82 percent of the farm-retail spread in 1970, and the farm-carcass spread, 18 percent.

Rising cost rates--wage rates, rents, and prices of equipment and supplies --accounted for most of the gradual increase in the carcass-retail spread during 1949-70, but changes in marketing services probably affected it too. Trimming of retail cuts increased, which required more labor. 10/ The proportion of beef sold in chain stores and large independent supermarkets rose during this period, and self-service was introduced in many stores. Increased sales per store apparently made possible economies of scale that partly offset the rise in cost rates.

A decrease in the carcass-retail spread accompanied all upward movements in carcass value extending for 3 months or more during 1949-70 (table 14). Retail price moved up but not as much as carcass value did. In more than half these upward movements, monthly average retail price followed the upturn in carcass value. In other upward movements, both retail price and carcass value rose simultaneously.

During 1949-70, an increase in the carcass-retail spread accompanied every downward movement in carcass value extending for 3 months or more, since retail price did not decline as much as carcass value. Most increases in the carcass-retail spread were larger than the preceding decreases. In more than half these movements, retail price and carcass value turned downward in the same month. In a slightly smaller number of these movements, retail price declined after carcass value did, but twice it declined before.

9/ Carcass value is the value at wholesale prices of the quantity of carcass beef equivalent to a pound of beef sold to consumers.

10/ Boning of cuts also increased, but specifications of cuts that BLS priced did not change; thus, increased boning probably did not affect these prices or the carcass-retail spread significantly.

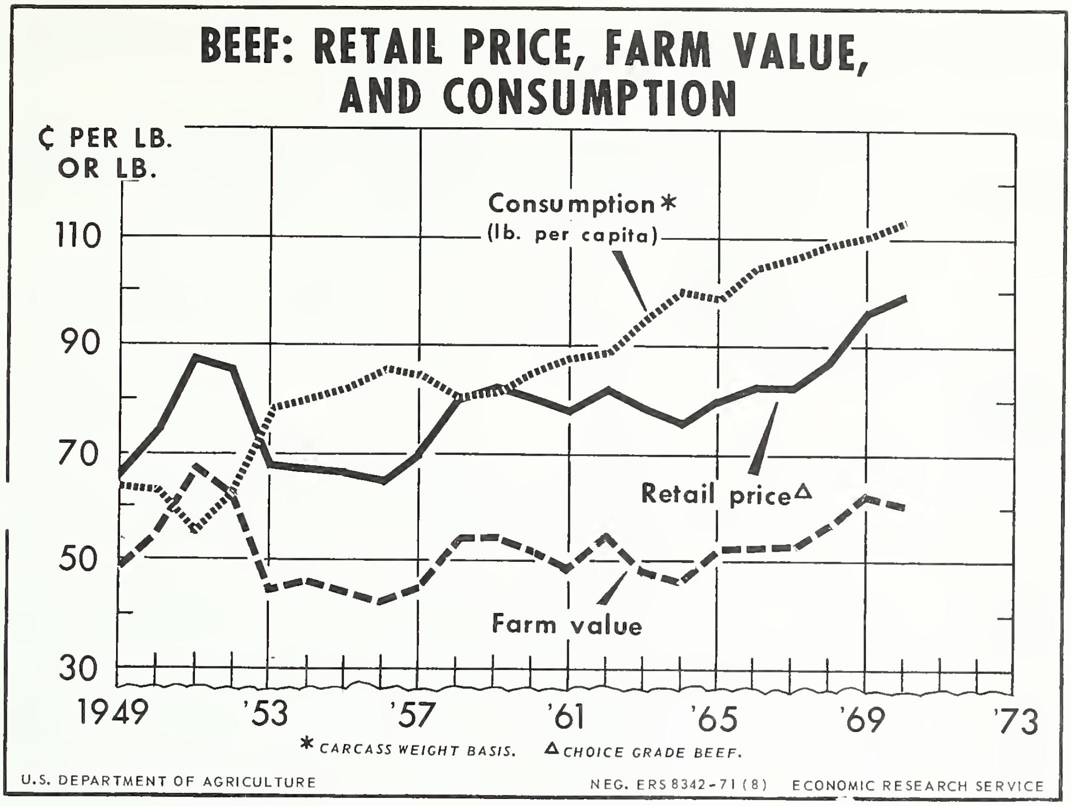

Figure 6

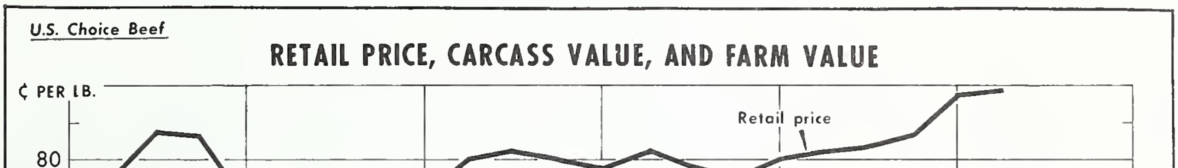

Figure 7

Table 14.--Beef, Choice: Changes in carcass value and concurrent changes in marketing spreads, 1949-70

Period 1/	Carcass value	Farm-carcass spread	Carcass-retail spread	Farm-retail spread
	Cents			
Carcass value increasing:				
Feb. 1949-Sept. 1949	15.3	3.4	-4.7	-1.3
Mar. 1950-May 1951	20.9	4.1	-1.6	2.5
June 1953-Sept. 1953	9.8	2.7	-5.8	-3.1
Mar. 1954-Jan. 1955	9.8	3.4	-7.0	-3.6
Mar. 1956-Sept. 1956	18.4	3.4	-6.9	-3.5
Feb. 1957-May 1958	16.9	-0.8	-1.1	-1.9
Aug. 1958-Apr. 1959	7.4	0.7	-4.8	-4.1
Dec. 1959-Apr. 1960	5.5	0.4	-4.8	-4.4
Oct. 1960-Jan. 1961	5.5	0.2	-3.0	-2.8
July 1961-Sept. 1962	13.7	-1.4	-4.3	-5.7
May 1964-Sept. 1964	9.1	-1.5	-2.4	-3.9
Feb. 1965-June 1965	8.7	-0.1	-2.0	-2.1
Nov. 1965-Mar. 1966	5.5	-0.9	-3.3	-4.2
Mar. 1967-June 1969	22.4	0.4	-1.2	-0.8
Nov. 1969-July 1970	8.5	0.8	-4.3	-3.5
Carcass value decreasing:				
Sept. 1949-Mar. 1950	-7.6	-4.3	4.8	0.5
May 1951-June 1953	-27.4	-1.3	6.4	5.1
Sept. 1953-Mar. 1954	-8.7	-5.2	5.0	-0.2
Jan. 1955-Mar. 1956	-15.6	-1.2	6.4	5.2
Sept. 1956-Feb. 1957	-14.9	-1.9	9.1	7.2
May 1958-Aug. 1958	-6.2	-0.7	4.4	3.7
Apr. 1959-Dec. 1959	-8.3	-1.1	6.9	5.8
Apr. 1960-Oct. 1960	-6.7	0.1	3.7	3.8
Jan. 1961-July 1961	-9.5	-0.9	3.2	2.3
Sept. 1962-May 1964	-17.0	1.5	5.5	7.0
Sept. 1964-Feb. 1965	-4.3	0.1	0.4	0.5
June 1965-Nov. 1965	-4.7	-0.1	3.7	3.6
Mar. 1966-Mar. 1967	-7.9	0.2	4.6	4.8
June 1969-Nov. 1969	-13.7	0.3	8.3	8.6
July 1970-Nov. 1970	-7.5	0.6	4.9	5.5

1/ From trough to crest (or crest to trough) of movement in carcass value; each period includes a minimum of 3 consecutive months when carcass value moved in the same direction, either increasing or decreasing. Most longer periods include some months in which carcass value moved opposite to the trend.

The considerations that follow apparently restrain retailers from raising retail prices of beef as much as the carcass value increases. Retailers may not raise their prices every time a small rise in wholesale prices occurs. Uncertainty about whether competitors may raise prices may be another restraining influence. Retailers frequently advertise special sale prices for beef to attract customers. Failure to offer competitive prices would probably bring decreases in sales of other products as well as beef.

When carcass prices decline, however, retailers can widen their margins by reducing retail prices less than carcass prices decline, thus making up for previous reductions in their margins and for increases in costs.

Farm-Carcass Spread

Farm-carcass spread includes transportation and any marketing charges incurred between the farm and the packing plant, as well as charges for slaughtering, dressing, and shipping the carcass to the point of sale.

In 1970, farm-carcass spread averaged 24 percent smaller than in 1956. Apparently, improvements in efficiency that more than offset increases in cost rates after 1956 brought about most of the decreases. [11] Vast changes took place in the meatpacking industry during the last two decades. Many new plants were built; and slaughtering in many obsolete plants was discontinued. Plants specializing in the slaughter of beef cattle increased in number. On-the-rail dressing, mechanical knives, and other technical improvements brought a reduction in labor requirements per unit of output. Marketings of beef cattle and hogs became more evenly distributed throughout the year enabling packers to use their facilities more efficiently.

An increase in the farm-carcass spread accompanied all but one upward movement (February 1957-May 1958) in carcass value from early 1949 to mid-1961; and a decrease in the spread accompanied all but one downward movement (April-October 1960) (table 14). From July 1961 through March 1966, however, the spread decreased when carcass value increased. After September 1962, in all but one period, the spread increased when carcass value decreased.

Seasonality

For 1960-70, seasonal indexes of retail price, carcass value, and farm value rose to their highest level of the year in September. Farm value declined to its lowest level in May, and wholesale and retail prices reached their lowest levels in June (table 15). The September level was 3 percent higher than the low for retail price, 4 percent higher than the low for carcass value, and 6 percent higher than the low for farm value.

The farm-retail spread was fairly wide in May, when farm value and retail price were near their lowest levels. It decreased until August because farm value rose more than retail price. The seasonal index of the spread was 5 percent wider in May than in August. From August to December, the spread increased 6 percent to its high for the year.

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[11] Gradual increases in carcass and farm product equivalents from 1951 to 1962 did not affect the size of the spread since the ratio of the carcass equivalent to the farm product equivalent did not change.

Table 15.--Beef, Choice: Seasonal indexes for retail price, carcass value, farm value, and farm-retail spread, 1960-70

(Annual average = 100)

Month	Retail price	Carcass value	Farm value	Farm-retail spread
January	100.0	101.2	100.8	99.6
February	99.6	99.4	99.0	100.5
March	99.8	100.4	100.1	99.0
April	99.1	99.4	99.3	99.0
May	99.1	98.4	97.5	101.7
June	98.8	98.2	97.7	99.4
July	100.0	100.7	100.4	99.5
August	100.6	101.9	102.6	96.5
September	101.6	102.4	102.9	100.1
October	100.7	99.7	100.3	100.9
November	100.5	98.9	99.6	102.0
December	100.3	99.4	99.5	102.6

Pork

Production, farm value, and retail price of pork varied widely during 1949-70. Prices of hogs and pork moved in the opposite direction from pork productic and consumption (fig. 8).

Farm-Retail Spread

Farm-retail spread and retail price of pork have increased since 1949 (fig. 9 and table 32). Farm-retail spread increased 95 percent from 1949 to 1970, with 69 percent of the 18.8-cent increase contributed by the wholesale-retail spread and 31 percent by the farm-wholesale spread. In 1949, the wholesale-retail spread represented 32 percent of the farm-retail spread; by 1970, it had expanded to 50 percent.

Wholesale-Retail Spread

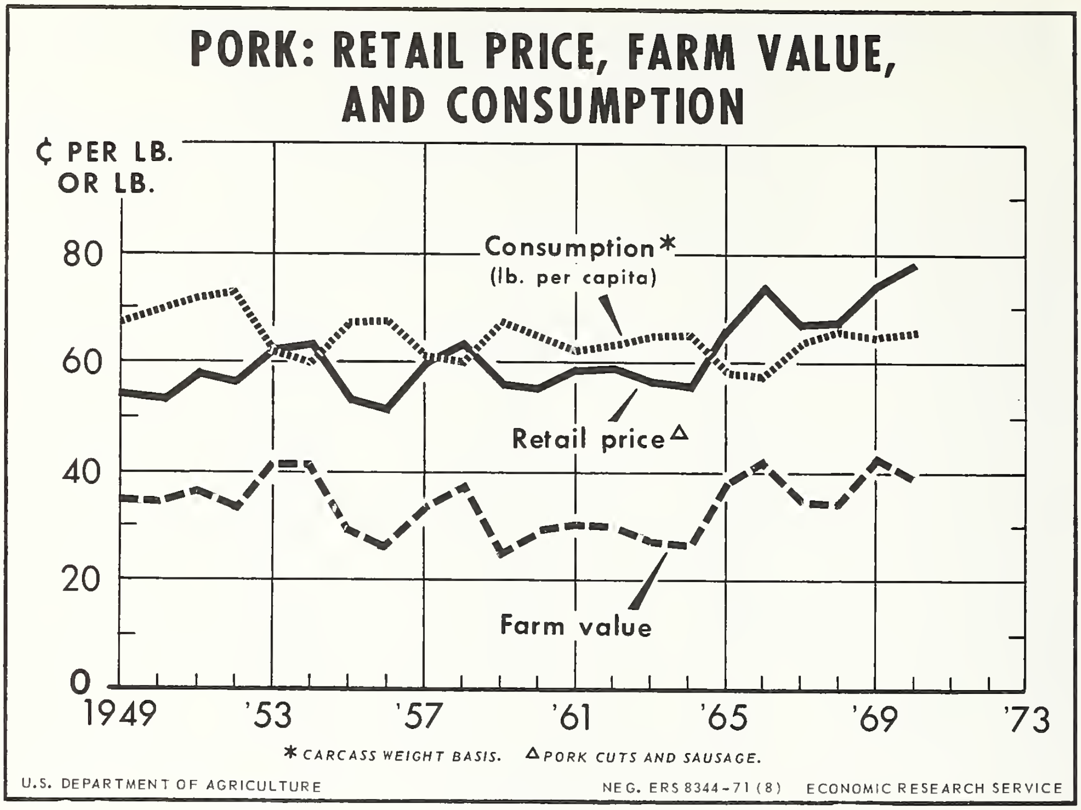
During 1949-70, upward movements in wholesale value of pork extending for 3 months or longer were nearly always accompanied by reductions in the wholesale-retail spread; and downward movements generally were accompanied by increases in the spread (table 16). Because increases often were larger than preceding decreases, the spread increased in the long run.

In slightly more than half the periods when prices of pork generally were rising, retail price turned upward a month or more after wholesale value did; and in about half these periods, both turned upward in the same month. In

Table 16.--Pork: Changes in wholesale value and concurrent changes in marketing spreads, 1949-70

Period 1/	Wholesale value	Farm-wholesale spread	Wholesale-retail spread	Farm-retail spread
	Cents			
Wholesale value increasing:				
May 1949-Aug. 1949	5.7	2.3	-1.4	0.9
Dec. 1949-Aug. 1950	15.0	-.9	-2.9	-3.8
Nov. 1950-Aug. 1951	7.6	-.1	-1.8	-1.9
Feb. 1952-Aug. 1952	11.5	1.0	-3.6	-2.6
Dec. 1952-July 1953	15.9	-3.1	-1.9	-5.0
Nov. 1953-May 1954	11.1	.7	-2.6	-1.9
Mar. 1955-June 1955	7.2	-1.9	-3.8	-5.7
Dec. 1955-Aug. 1957	18.6	-1.1	.5	-.6
Nov. 1957-July 1958	11.7	1.5	-.9	.6
Mar. 1959-June 1959	2.1	1.7	-1.1	.6
Dec. 1959-Feb. 1961	9.1	-2.8	-1.7	-4.5
May 1961-Sept. 1961	4.0	-.1	-.9	-1.0
Apr. 1962-Sept. 1962	6.7	.7	-1.2	-.5
Apr. 1963-July 1963	8.5	-.6	-3.0	-3.6
May 1964-Aug. 1964	5.8	1.6	-1.4	.2
Nov. 1964-Dec. 1965	23.4	-1.7	-2.2	-3.9
Apr. 1966-Aug. 1966	4.2	-2.3	-1.0	-3.3
Apr. 1967-July 1967	9.1	-.5	-1.3	-1.8
Nov. 1967-July 1968	6.0	-2.0	-3.2	-5.2
Nov. 1968-Jan. 1970	15.6	-1.3	-.6	-1.9
Wholesale value decreasing:				
Aug. 1949-Dec. 1949	-13.4	-3.3	3.3	0
Aug. 1950-Nov. 1950	-10.6	.9	4.4	5.3
Aug. 1951-Feb. 1952	-7.6	.9	2.0	2.9
Aug. 1952-Dec. 1952	-11.1	-.5	3.6	3.1
July 1953-Nov. 1953	-10.9	1.2	1.8	3.0
May 1954-Mar. 1955	-18.1	1.7	3.5	5.2
June 1955-Dec. 1955	-14.2	4.6	4.8	9.4
Aug. 1957-Nov. 1957	-8.3	-.8	-.4	-1.2
July 1958-Mar. 1959	-14.3	-1.9	2.9	1.0
June 1959-Dec. 1959	-7.4	1.1	1.2	2.3
Feb. 1961-May 1961	-3.3	0	1.5	1.5
Sept. 1961-Apr. 1962	-4.9	.1	1.9	2.0
Sept. 1962-Apr. 1963	-10.9	-1.1	1.7	.6
July 1963-May 1964	-6.8	.5	2.3	2.8
Aug. 1964-Nov. 1964	-4.9	.3	1.6	1.9
Dec. 1965-Apr. 1966	-9.1	2.0	4.4	6.4
Aug. 1966-Apr. 1967	-12.6	2.3	0	2.3
July 1967-Nov. 1967	-7.8	1.9	3.4	5.3
July 1968-Nov. 1968	-4.3	2.7	2.0	4.7
Jan. 1970-Nov. 1970	-15.3	6.3	4.0	10.3

1/ From trough to crest (or from crest to trough) of movement in wholesale value, each period includes a minimum of 3 consecutive months when wholesale value moved in the same direction, increasing or decreasing. Most longer periods include some months in which wholesale value moved opposite to the trend.



PORK: RETAIL PRICE, FARM VALUE, AND CONSUMPTION

* CARCASS WEIGHT BASIS. △ PORK CUTS AND SAUSAGE.

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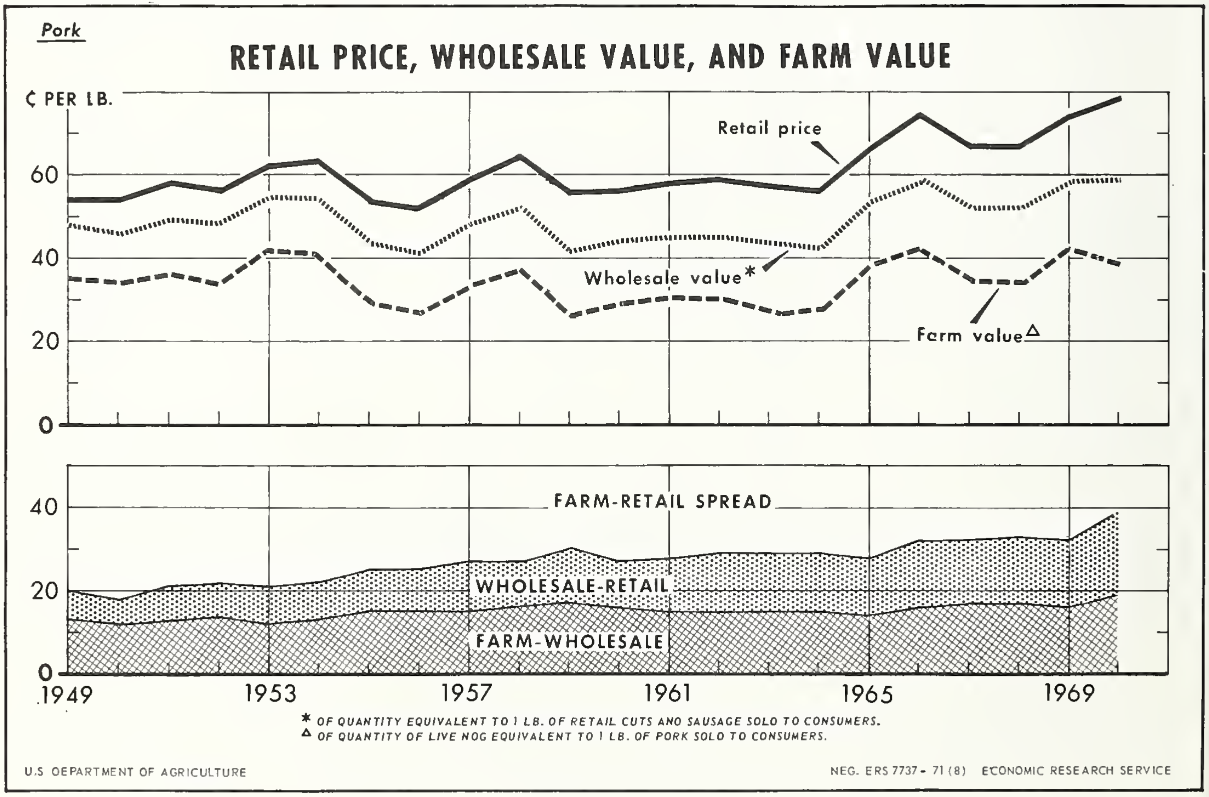
Figure 8



Pork

RETAIL PRICE, WHOLESALE VALUE, AND FARM VALUE

* OF QUANTITY EQUIVALENT TO 1 LB. OF RETAIL CUTS AND SAUSAGE SOLD TO CONSUMERS.
△ OF QUANTITY OF LIVE HOG EQUIVALENT TO 1 LB. OF PORK SOLD TO CONSUMERS.

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Figure 9

about three-fourths of the periods when pork prices were generally declining, retail price and wholesale value declined in the same month. In other periods, wholesale value led the decline.

The wholesale-retail spread for pork is smaller than the carcass-retail spread for beef. The pork wholesale value is for wholesale cuts and sausage. Retailers do not need to cut or trim most pork cuts, but they fabricate beef carcasses into retail cuts.

Until the early 1960's, the wholesale-retail spread for pork was considerably smaller than the farm-wholesale spread. In later years, the two generally were nearer the same size, and in 1970 did not differ significantly.

Farm-Wholesale Spread

The farm-wholesale spread for pork decreased in two-thirds of the periods when prices of pork and hogs were rising, and it increased in two-thirds of the periods when these prices were falling. Thus, the spread tended to vary inversely with prices and directly with the volume of hogs marketed and with consumption (fig. 8). This tendency has been explained as changes in the intensity of competition resulting from fluctuations in the volume of hogs marketed (27, pp. 611-612). When the volume contracts, packers compete vigorously to buy a sufficient number of hogs to keep their employees and facilities occupied and to prevent a rise in unit operating costs. As a result, prices paid to hog producers rise more than prices packers receive for pork. But when the volume of hogs increases, packers compete less aggressively for supplies, and prices of hogs decline more than prices of pork.

The farm-wholesale spread for pork is wider than the farm-carcass spread for beef because the packer or processor divides the pork carcass into cuts, cures many of them, and manufacturers sausage--operations which involve additional expense.

Seasonality

Seasonal 1960-70 indexes of farm and wholesale values of pork rose from lows in April to peaks in July that were 21 and 12 percent higher, respectively, than the April lows (table 17). Retail price also was at its lowest level in April, but it did not reach its high until August--1 month after wholesale value did. The seasonal index of the retail price was 8 percent higher in August than in April. In most months, the farm-retail spread varied inversely with farm value. The October high for the spread was 12 percent above the July low. During this period, seasonal movements were more pronounced for pork than for beef. In the 1950's, retail price, wholesale value, and farm value reached their highest levels for the year in July, however, the seasonal lows came in the late fall.

Cyclical fluctuations in pork production distorted usual seasonal price patterns in some years. For example, farm value usually moved upward from December to July. However, in 1954, this movement culminated in May and was followed by a downward movement to a level in March 1955 that was considerably below the level a year earlier. In 1955, the seasonal rise in farm value was cut short in June and also was followed by a much larger decrease. During most months of June 1954-July 1956, pork production was greater--often considerably greater--than it had been a year earlier. During 1965, farm value increased every month except March and September. And in that year, in every month but March, pork production was less than it had been a year earlier.

Table 17.--Pork: Seasonal indexes for retail price, wholesale value, farm value, and farm-retail spread, 1960-70

(Annual average = 100)

Month	Retail price	Wholesale value	Farm value	Farm-retail spread
January	100.4	99.6	96.5	102.7
February	99.1	98.4	98.5	99.9
March	98.1	96.6	95.0	101.6
April	96.2	94.6	91.7	101.5
May	97.4	97.0	96.9	96.3
June	99.8	102.2	106.4	93.8
July	102.7	105.9	111.4	93.2
August	104.0	105.2	109.4	98.6
September	103.4	103.6	105.2	103.2
October	101.1	99.6	98.4	104.7
November	99.2	97.5	94.0	104.4
December	98.4	99.5	95.7	100.7

Lamb

Price Movements

Several marked fluctuations in lamb production caused wide variations in retail price and farm and carcass values during 1949-70 (table 33). Price and values reached peak levels in 1951 and 1958--years when production was down to its lowest level in several years. Afterwards, price and values trended downward as production recovered, and reached low levels in 1955 and 1961 that coincided with crests in production. After 1961, production decreased nearly every year, while retail price and carcass and farm values increased in most of these years.

Seasonally, farm value of lamb in 1960-70 reached a high in June and a low in December that was 11 percent below the June high (table 18). The high in retail price came in July, but it was only slightly above the April low. The farm-retail spread generally varied inversely with the farm value. In December, it was 11 percent wider than in June.

Byproducts accounted for 10 percent of wholesale value of lamb products in 1970, compared with 16 percent in 1949-51. In 1970, byproduct value was lower and carcass value considerably higher than in 1949-51.

Value of byproducts relative to value of meat is higher for lamb than for beef or pork mainly because of the value of the fleece. Because byproduct values are higher for lamb, net and gross farm values do not move together as closely as they do for beef and pork.

Table 18.--Lamb, Choice: Seasonal indexes for retail price, farm value, and farm-retail spread, 1960-70

(Annual average = 100)

Month	Retail price	Farm value	Farm-retail spread
January	99.5	97.6	102.6
February	99.0	98.1	97.8
March	99.6	100.3	99.2
April	98.9	99.3	98.4
May	99.1	101.8	95.8
June	101.2	107.0	94.6
July	101.5	104.4	97.9
August	101.0	102.2	99.2
September	100.9	100.0	101.8
October	99.9	98.3	102.7
November	99.9	95.8	104.9
December	99.5	95.0	105.1

Carcass-Retail Spread

The carcass-retail spread for lamb increased 138 percent from 1949 to 1970 (table 33). The carcass-retail spread generally was wider for lamb than for beef or pork, probably because the volume of lamb retailed was much smaller.

Generally, the carcass-retail spread for lamb decreased when carcass value increased for a period of 3 months or longer during 1949-70, and widened when carcass value decreased (table 19). Thus, retail price was more stable than carcass value, as was also true for beef and pork.

In about half the periods (3 months or longer) when carcass value of lamb generally was rising, retail price turned upward in the same month as carcass value. But in about half the periods (3 months or longer) retail price began its rise a month after carcass value. In a few periods, retail price rose before carcass value. In two-thirds of the periods (3 months or longer) when the carcass value generally was falling, retail price turned downward after carcass value did; in most other periods, both turned downward in the same month.

Table 19.--Lamb, Choice: Changes in carcass value and concurrent changes in marketing spreads, 1949-70

Period 1/	Carcass value	Farm-carcass value	Carcass retail spread	Farm-retail spread
	Cents			
Carcass value increasing:				
Jan. 1949-May 1949	12.0	2.8	3.1	5.9
Dec. 1949-June 1950	11.8	2.6	-1.4	1.2
Oct. 1950-Aug. 1952	10.9	8.9	-.3	8.6
Feb. 1953-July 1953	9.7	4.0	1.9	5.9
Oct. 1953-May 1954	10.9	.4	-2.8	-2.4
Feb. 1956-June 1956	16.0	6.6	.8	7.4
Oct. 1957-July 1958	6.9	1.2	.2	1.4
Feb. 1959-June 1959	12.5	5.5	-6.1	-.6
Dec. 1959-May 1960	10.7	1.1	-5.2	-4.1
Mar. 1962-June 1962	12.9	4.9	-9.1	-4.2
Mar. 1963-June 1963	10.7	4.2	-7.9	-3.7
Dec. 1963-Aug. 1964	10.9	1.8	-8.0	-6.2
Dec. 1964-June 1965	13.0	0	-6.8	-6.8
Nov. 1965-Feb. 1966	8.7	.8	-3.1	-2.3
Mar. 1967-July 1967	12.0	3.7	-5.8	-2.1
Feb. 1968-June 1968	10.2	4.6	-6.6	-2.0
Sept. 1968-May 1969	10.6	4.5	-3.2	1.3
May 1970-Aug. 1970	3.7	1.2	-1.2	0
Carcass value decreasing:				
May 1949-Dec. 1949	-15.8	-5.1	3.7	-1.4
June 1950-Oct 1950	-4.2	-5.5	-.7	-6.2
Aug. 1952-Feb. 1953	-18.6	-3.5	0	-3.5
July 1953-Oct. 1953	-13.7	-2.3	2.6	.3
May 1954-Feb. 1956	-14.0	-3.5	1.6	-1.9
June 1956-Oct. 1957	-6.5	-3.4	0	-3.4
July 1958-Feb. 1959	-12.2	-2.5	4.5	-2.0
June 1959-Dec. 1959	-14.5	-3.5	6.3	2.8
May 1960-Mar. 1962	-11.6	-1.5	7.4	5.9
June 1962-Mar 1963	-11.2	-6.1	9.7	3.6
June 1963-Dec 1963	-9.2	-1.9	6.2	4.3
Aug. 1964-Dec. 1964	-6.7	-1.5	6.6	5.1
June 1965-Nov. 1965	-5.8	-.2	4.6	4.4
Feb. 1966-Mar. 1967	-12.0	-1.7	9.5	7.8
July 1967-Feb. 1968	-5.6	-3.6	6.9	3.3
June 1968-Sept. 1968	-5.5	-3.1	5.1	2.0
May 1969-May 1970	-5.9	-4.4	10.3	5.9
Aug. 1970-Nov. 1970	-1.6	2.4	1.2	3.6

1/ From trough to crest (or from crest to trough) of movement in carcass value; each period includes a minimum of 3 consecutive months when carcass value moved in the same direction, increasing or decreasing. Most longer periods include some months in which carcass value moved opposite to the trend.

Farm-Carcass Spread

The farm-carcass spread for lamb increased 61 percent from 1949 to 1970.

During that time, in periods (3 months or longer) when volume of lamb slaughtered was decreasing and carcass value was increasing, the farm-carcass spread generally increased; and in periods (3 months or longer) when volume was increasing and carcass value falling, the spread generally decreased. Thus, the spread tended to vary directly with carcass value and inversely with volume of slaughter. In two-thirds of the periods (3 months or longer), when carcass value was rising, farm and carcass values turned upward in the same month; and in two-thirds of the periods when carcass value was falling, both turned downward in the same month.

FRUITS AND VEGETABLES

Fruits and vegetables (fresh and processed) have the largest total farm-retail spread of any group of products in the market basket (table 2), accounting for 25 percent of the market basket spread in 1970. They ranked second in retail cost--21 percent--following only the meat products group, and third in farm value--13 percent--following the meat and dairy products group.

Fresh Fruits and Vegetables

In 1970, fresh fruits and vegetables in the fruits and vegetables group accounted for 53 percent of the group's retail cost, 64 percent of its farm value, and 49 percent of the farm-retail spread. 12/

Retail prices, farm values, and farm-retail spreads increased more for fresh fruits and vegetables from 1947-49 to 1968-70 than for any other product group. Retail prices increased 76 percent for fresh fruits and 81 percent for fresh vegetables (tables 54 and 60). These increases compared with a rise of 31 percent in market basket retail cost. Farm values averaged 48 percent higher for fresh fruits and 32 percent higher for fresh vegetables in 1968-70 than in 1947-49, while market basket farm value averaged only 4 percent higher. Farm-retail spreads increased 95 percent for fresh fruits and 117 percent for fresh vegetables during this period; the comparable increase for the market basket spread was 58 percent.

Retailing and wholesaling margins as percentages of total farm-retail spread are larger for fresh fruits and vegetables than for most other products. According to data published by the National Commission on Food Marketing, retail stores' gross margin for fresh fruits and vegetables made up 45 percent of the farm-retail spread in 1964. Wholesaling and delivery to the store accounted for 16 percent. Labor costs made up a large proportion of retail and wholesale gross margins--47 and 51 percent, respectively (16, p. 46).

12/ Although fresh fruits and vegetables considered together account for only part of the fruits and vegetables product group, they are compared with product groups in this report. For convenience in the comparisons, the words "other product groups" are used to mean groups other than fruits and vegetables.

Intercity transportation charges accounted for 20 percent of the farm-retail spread for fresh fruits and vegetables in 1964, according to estimates made by the National Commission on Food Marketing. Railroad freight rates for these items increased approximately 35 percent from 1947-49 to 1970 (tables 7 and 8).

The greater rise in farm values for fresh fruits and vegetables than for other product groups may be explained partly by the slower improvement in output per man-hour in producing fruits and vegetables than in producing other farm products. Output per man-hour increased 72 percent from 1950 to 1970 in fruit and nut production and 82 percent in vegetable production (8). During the same period, output per man-hour in all farm production increased 223 percent.

Retail prices, farm values, and farm-retail spreads for fresh fruits and vegetables fluctuate more by month and year than for most other products in the market basket. Their seasonal movements are larger than those for other products except possibly eggs. Because of their perishable nature, some fresh fruits and vegetables are consumed within a few days or weeks after harvest and are not available in fresh form during part of the year. Those that are stored are not carried over into the following marketing season in large quantities. Most fruits and vegetables are processed, but processing often does not provide a suitable alternative to marketing in fresh form as processing facilities are not available in some producing areas. Further, varieties preferred for fresh marketing may not be suitable, or at least preferred, for processing.

Farm-retail spreads of fresh fruits and vegetables tend to vary directly with farm values--both within the marketing season and from year to year. When farm value increases, farm-retail spread tends to increase. Often, the relative increase is smaller in the spread than in farm value. As a result, the farmer's share often changes in the same direction as farm value and spread. Occasionally, however, the spread changes more than farm value does, and the farmer's share changes in the opposite direction.

Movement of farm value and farm-retail spread in the same direction suggests that many retailers tend to take a constant percentage markup on fresh fruits and vegetables rather than a constant absolute markup. Since the retail margin constitutes such a large percentage of total farm-retail spread of fresh fruits and vegetables, use of percentage markups on buying prices would considerably affect behavior of the total spread when farm value changes. Some wholesale charges also are percentages of selling prices. The stability of transportation charges, which also make up a relatively large proportion of the total spread, keeps the spread from changing by percentages as large as those for farm value.

Changes in retail prices of some fresh fruits and vegetables tend to lag behind changes in their farm values. Farm-retail spreads for these products frequently reach their seasonal maximum size when farm values turn downward and retail prices do not change or else continue to rise; and these spreads reach their smallest size when farm values turn upward seasonally and retail prices do not change or else continue to decline.

Apples

In 1970, apples accounted for 37 percent of total retail cost of fresh fruits in the market basket. Average retail price for apples doubled from 1947-49 to 1968-70 (table 55 and fig. 10). Farm value fluctuated widely during the 1950's and averaged only 9 percent higher in 1957-59 than in 1947-49. Fluctuations during the 1960's were wider than during the preceding decade and were around a higher level. Farm value averaged 62 percent higher in 1968-70 than in 1947-49. Farm retail spreads increased 60 percent from 1947-49 to 1957-59 and 45 percent from 1957-59 to 1968-70.

Apple production did not keep up with population growth during the 1950's and 1960's; the proportion of the crop used for processed products increased. Consequently, per capita consumption of fresh apples decreased.

Farmers sell apples throughout the year, although the harvest begins in June and ends in November. During 1960-70, farm value rose 39 percent from a low in October to a high in May. Retail price lagged 1 or 2 months behind farm value--rising 51 percent from a low in November to a high in July. Similarly, the index of the farm-retail spread reached its lowest level in November, and its highest level in July--81 percent above the low (table 20).

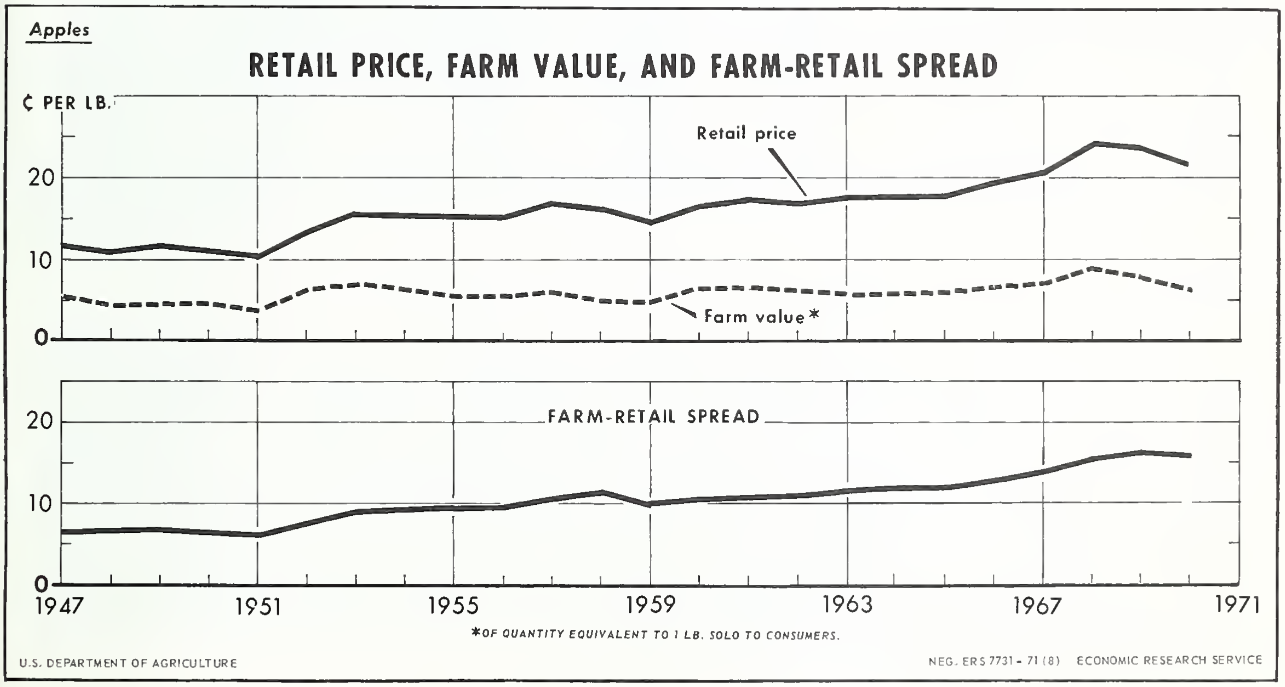


Figure 10

Table 20.--Selected fresh fruits and vegetables: Seasonal indexes for retail prices, farm value, and farm-retail spread, 1960-70

(Annual average = 100)

Month	Apples			Oranges		
	Retail price	Farm value	Farm-retail spread	Retail price	Farm value	Farm-retail spread
January	87.9	95.1	84.3	93.0	92.7	93.7
February	91.2	96.7	88.7	94.5	97.0	93.2
March	94.8	104.0	89.8	95.2	98.1	93.3
April	99.6	109.5	94.7	97.0	93.2	98.0
May	106.4	122.3	98.2	97.1	89.3	100.6
June	117.0	114.6	117.7	97.5	89.1	100.7
July	124.4	95.9	141.6	99.4	100.8	98.2
August	123.8	94.7	138.4	103.4	115.7	99.7
September	102.4	94.1	105.3	107.8	121.3	102.4
October	83.6	88.2	81.0	110.9	111.8	109.5
November	82.5	90.5	78.3	106.5	98.5	111.0
December	86.2	94.5	82.1	98.2	95.5	98.7
	Lettuce			Potatoes		
January	102.4	105.9	100.4	94.0	92.5	94.0
February	101.6	86.9	106.2	95.7	94.1	95.8
March	98.4	116.7	88.7	96.0	100.6	94.3
April	97.8	105.7	104.5	99.2	101.7	96.7
May	101.2	88.9	102.1	103.6	114.5	98.8
June	98.5	84.4	104.2	113.2	112.8	108.0
July	102.5	102.4	101.5	116.8	128.7	113.7
August	93.6	88.7	98.8	107.3	107.4	111.0
September	98.3	100.5	95.8	96.7	91.6	100.1
October	100.0	101.1	100.9	92.2	82.3	96.0
November	108.3	123.2	95.8	92.4	84.6	96.0
December	98.3	96.9	101.3	93.1	88.2	95.2

Oranges

In 1970, fresh oranges accounted for 30 percent of total retail cost of the market basket's fresh fruits. Prices of oranges increased dramatically in 1958, 1963, and 1968, as a result of weather-induced decreases in production (table 58). Sharp increases in retail prices and farm values in these years were followed by decreases when production recovered. In 1967, farm value was lower than in any other year of the 1960's and averaged 43 percent lower than in 1963. However, the 1967 value was higher than in all but 3 years of the 1950's. In 1968-70, farm-retail spread averaged 52 percent wider than in 1957-59 and 96 percent wider than in 1947-49. Retail price rose almost as much relatively as farm-retail spread did.

In about two-thirds of the years during 1947-70, the annual average farm-retail spread moved in the same direction as farm value did, but relative movements were smaller.

Orange production trended upward during 1947-70. However, the proportion used for processing increased to such an extent that consumption of fresh oranges in 1968-70 was less than half that in 1947-49.

Oranges are picked throughout the year, but the volume marketed varies considerably. During 1960-70, farm value ordinarily rose during the winter quarter, declined during the spring quarter, rose again during the summer, and declined during the fall. The high in September was 36 percent above the low in June. Retail price rose steadily from a low in January to a high in October. Farm-retail spread increased from February to November, except for a decline in July.

Potatoes

Potatoes account for the largest share of total retail cost of fresh vegetables in the market basket--30 percent in 1970.

A relatively inelastic demand for potatoes and fluctuations in their production caused wide variations in annual average farm values and retail prices (table 68 and fig. 11). A decrease in the 1951 fall crop was associated with a jump in the annual average retail price from 48.7 cents per 10 pounds in 1951 to 72.9 cents in 1952. Sizable increases also occurred in 1956 and 1965. These were accompanied by smaller increases in farm value, since farm-retail spread also increased.

Farm value averaged 9 percent lower in 1968-70 than in 1947-49, when prices farmers received for potatoes were supported by the Federal Government. (Prices were Government supported during 1942-50.)

Farm-retail spread generally moved in the same direction as farm value, but usually did not change as much. Decreases did not equal increases; thus, the spread increased in the long run. In 1968-70, it was 126 percent wider than in 1947-49.

Retail price rose gradually. In 1968-70, it averaged 59 percent higher than in 1947-49.

Indexes of seasonal variation during 1960-70 were calculated for potatoes (table 20). Both farm value and retail price indexes rose from lows in October--the month in which harvesting of the fall crop is largely completed--to highs in July that were 56 percent and 27 percent, respectively, above the October lows. The index for the farm-retail spread was highest in July too, but its low came in January. After the fall harvest season ended, farm value increased much more rapidly than retail price did, causing the index of the farm-retail spread to decline to a low in January--17 percent below its high in July.

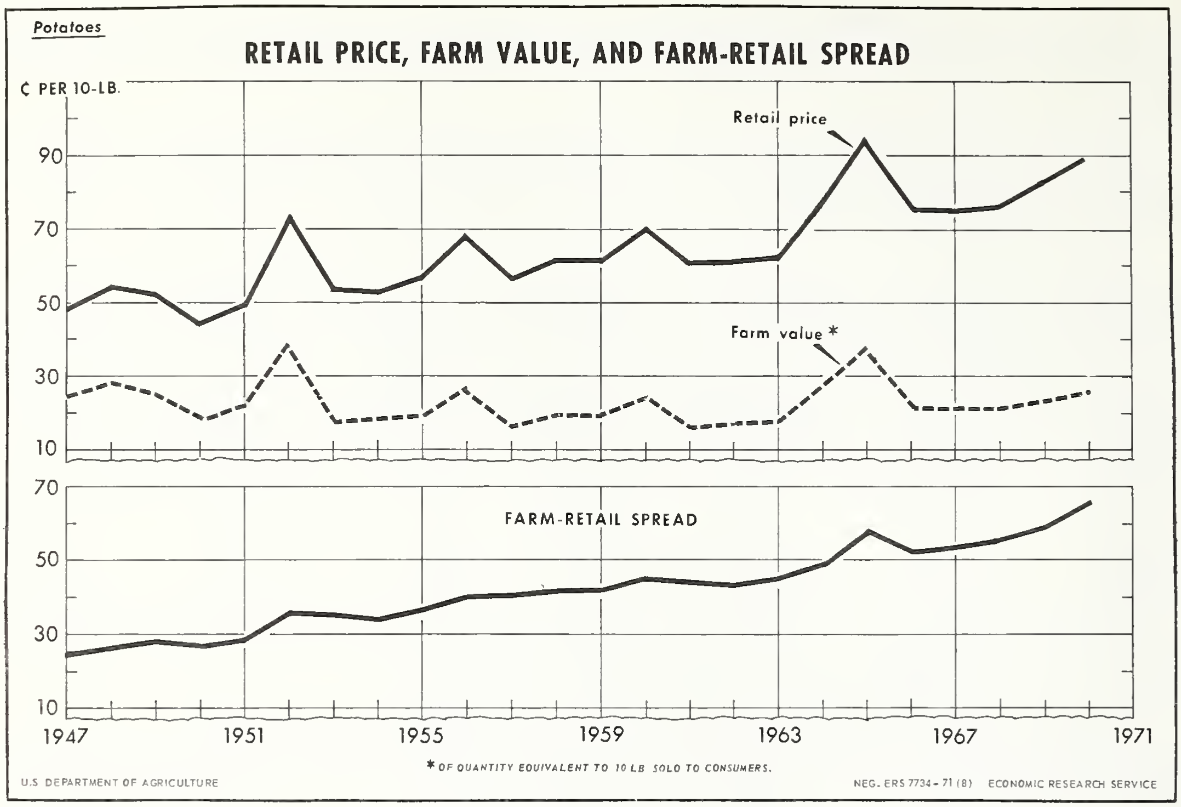


Figure 11

Lettuce

Lettuce ranks second to potatoes in retail cost among the fresh vegetables. Frequent wide and irregular fluctuations in both farm value and retail price were characteristic (tables 20 and 65). Farm-retail spread did not vary as much as farm value did, and frequently moved in the opposite direction. Consequently, retail price was more stable than farm value.

The annual average farm-retail spread decreased in only 3 years during 1947-70. It varied from 8.1 cents per head in 1947 to 20.4 cents in 1970 (table 65).

Processed Fruits and Vegetables

Retail prices, farm values, and farm-retail spreads increased less during 1947-70 for processed fruits and vegetables in the market basket than for most of the other product groups. In contrast, much greater increases occurred for fresh fruits and vegetables (tables 70 and 71). In 1968-70, compared with 1957-59, retail cost of processed fruits and vegetables averaged 9 percent higher, farm value was up 19 percent, and farm-retail spread had increased 7 percent. 13/

13/ Data for 1947-49 are available for only 4 of the 10 processed fruits and vegetables now in the market basket sample. As with fresh fruits and vegetables, the processed products represent only part of the fruits and vegetables group, but are compared with product groups. For convenience in the comparisons, the words "other product groups" are used to mean groups other than fruits and vegetables.

Prices received by farmers for fruits and vegetables for processing are available only during the processing season; thus, it is the one time of the year when farm values of individual products change. Total farm value and retail cost of the processed products ordinarily change little from one month to another. The annual average farm-retail spread tends to move in the same direction as farm value.

Canned Peaches

Retail price of a No. 2½ can of cling peaches varied during 1947-70 from 28.7 cents in 1950 to 35.2 cents in 1968 and 1970 (table 72 and fig. 12). Farm value fluctuated from 4.4 cents in 1950 to 7.2 cents in 1968. Farm-retail spread varied from 24.3 cents in 1950 to 28.2 cents in 1970. In half the years, the annual average farm-retail spread moved inversely with farm value, and retail price changed less than farm value. The farmer's share of the retail price increased during 1950-70.

Frozen Orange Juice Concentrate

Retail price and farm value of frozen orange juice concentrate, like those for fresh oranges, varied sharply in response to weather-induced decreases in the supply (table 75 and fig. 13). Farm-retail spread increased along with farm value, but by a smaller percentage. When the supply increased, farm value, spread, and retail price decreased. They had no definite upward or downward

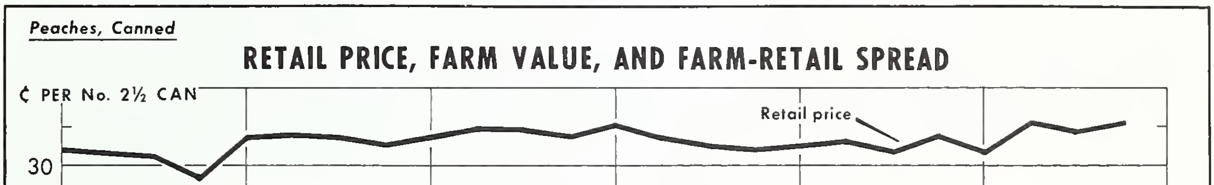
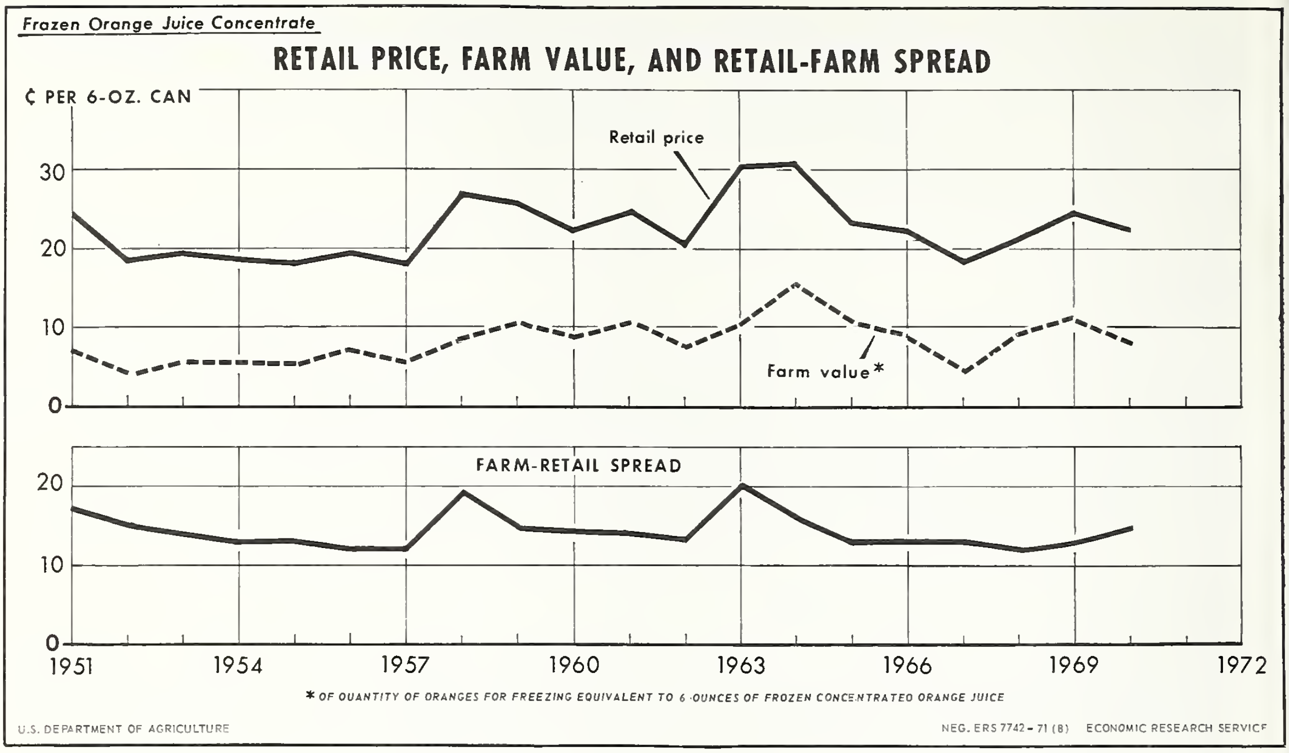


Figure 12



* OF QUANTITY OF ORANGES FOR FREEZING EQUIVALENT TO 6 OUNCES OF FROZEN CONCENTRATED ORANGE JUICE

U.S. DEPARTMENT OF AGRICULTURE NEG. ERS 7742-71 (8) ECONOMIC RESEARCH SERVICE

Figure 13

trend during 1951-70. In approximately half the years, farm-retail spread and farm value moved in opposite directions. The share of the retail price received by farmers averaged 41 percent in 1968-70, compared with 35 percent in 1957-59.

BAKERY AND CEREAL PRODUCTS

Bakery and cereal products accounted for 15 percent of the total retail cost of market basket foods in 1970, but for only 6 percent of total farm value (table 2). Consequently, the farm-retail spread for this group of products was comparatively large--ranking third among spreads for all groups and comprising 21 percent of the market basket farm-retail spread.

Bakery products dominated the group--accounting in 1970 for 71 percent of its total retail cost and 56 percent of its total farm value. Spreads between retail prices and farm values of bakery products were several times the size of their farm values. The farmer's share of retail prices of individual items ranged from 6 to 14 percent in 1970.

Farm-retail spreads are wider for bakery products relative to their retail prices than for most other foods because the process of manufacturing bakery goods is more extensive. Also, gains in output per man-hour have been smaller than in other food-manufacturing industries.

Since December 1963, cereal products have been represented in the market basket sample by white flour, corn flakes, and rice (table 23). Flour accounted for half the total retail cost of these products in 1970 and 72 percent of their total farm value.

Farm value of the bakery and cereal products group varies closely with prices that farmers receive for wheat, the principal raw material of wheat flour and bakery products. Ingredients other than grain accounted for 25 percent of total farm value of the bakery and cereal products group in 1970. Total farm value of these ingredients varied more from 1957 to 1970 than did farm value of the grain raw materials (table 45).

Trends in Group Totals

Total retail cost of bakery and cereal products rose every year during 1947-70 except 1949 (tables 45 and 46). Rises in 1965 and 1968, however, were minor. From 1957-59 to 1970, retail cost rose 23 percent--slightly less than the 24-percent rise in market basket retail cost. Farm value of bakery and cereal products increased much less than market basket farm value--13 percent, compared with 20 percent. The group's farm-retail spread and the market basket farm-retail spread each increased 25 percent from 1957-59 to 1970.

White Flour

The farm-retail spread and the retail price increased in about two-thirds of the years during 1947-70. The upward movement slowed during the 1960's, particularly in the spread (table 47).

All significant decreases in the average annual retail price of flour were accompanied by larger decreases in farm value. As a result, farm-retail spread did not decrease in most years when retail price declined.

Wheat prices tend to decline during the harvest season. The decline usually begins in May or June, and sometimes lasts into September. The spread usually increases during this period, although the decline in wheat prices is sometimes reflected in retail flour prices.

White Bread

The annual average retail price of white bread increased each year--from 12.5 cents a pound in 1947 to 24.2 cents in 1970--rising each year except 1964 when it did not change (table 48 and fig. 14). The rise was steeper in the 1950's than in the 1960's. In most years, the annual average price increased less than 1 cent a pound; however, the increase from 1969 to 1970 was 1.2 cents.

Annual average farm value of all ingredients in a 1-pound loaf of white bread declined from 3.6 cents in 1947 to 2.8 cents in 1959 and 1960, and rose again to 3.6 cents in 1966. Farm value then declined to 3.3 cents in 1968 and 1969, and rose to 3.4 cents in 1970. Often farm value rounded to 0.1 cent went

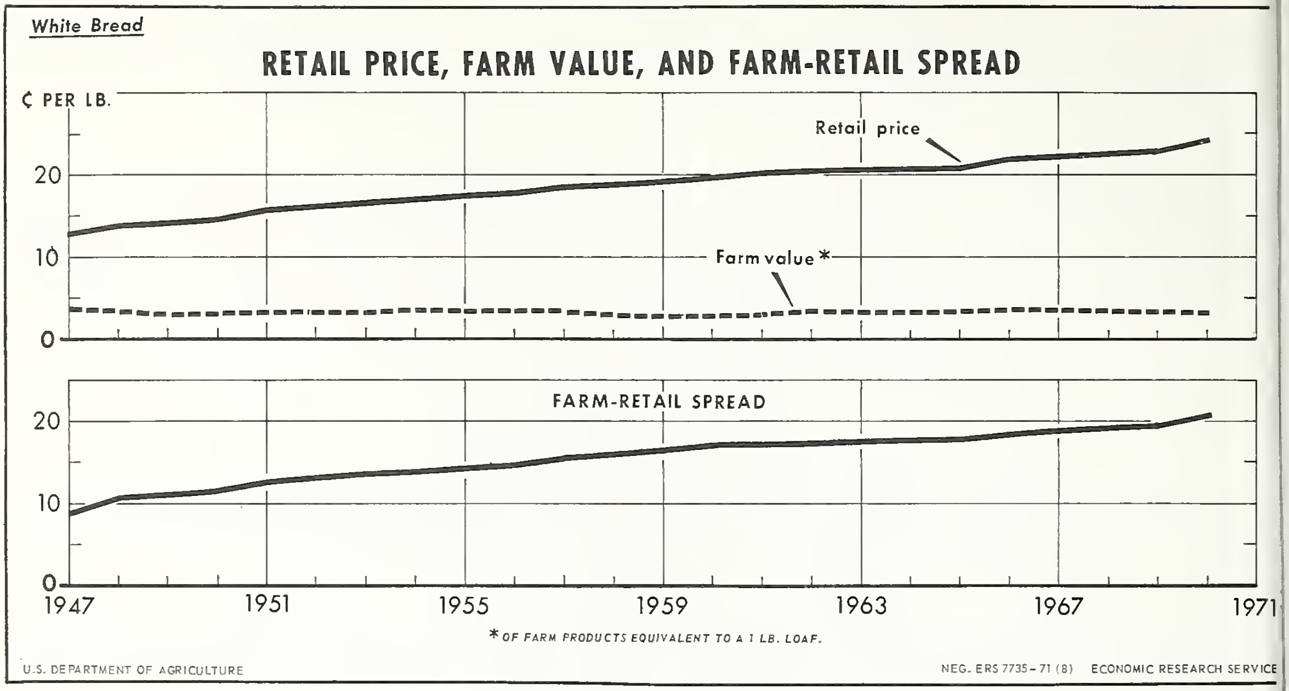


Figure 14

unchanged for several months. So little wheat is required to provide flour for a pound of white bread (0.01445 bushel since 1963), the price of wheat per bushel has to change by about 8 cents to change farm value of white bread by 0.1 cent. However, farm value changed more frequently than retail price. Month-to-month changes in farm value generally were not larger than 0.1 cent.

Farm value of white bread moved in approximately the same direction as farm value of flour used in baking white bread; farm value of ingredients other than flour changed little throughout 1947-70. Farm value of this type of flour is calculated from the average price of hard wheat in the 10 States that lead in its production.

The annual average spread between retail price and farm value of white bread increased every year during 1947-70 except 1962, 1964, and 1965. It widened from 8.9 cents in 1947 to 20.8 cents in 1970. 14/

Farmers received 14 percent of the retail price of white bread in 1970--the same share as in 1969 and 1960; this was the smallest share during 1947-70. Farmers received the largest share--29 percent--in 1947.

14/ See (13) for the distribution of farm-retail spread among the various marketing agencies and a discussion of factors contributing to the increase in the spread and retail price.

Sandwich Cookies

The annual average retail price of sandwich (cream-filled) cookies during 1961-70 fluctuated between 51.6 cents a pound in 1962 and 49.8 cents in 1969, and then climbed to 52.0 cents in 1970 (table 49). Month-to-month variations in price were much more frequent for these cookies than for white bread. Cookie manufacturers sometimes vary the price per pound by changing the weight of the cookies in the bag or package (19). Prices of the various brands differ considerably. The U.S. average price may vary occasionally because of a change in the proportion of lower priced brands in the BLS sample of prices.

Farm value of sandwich cookies varied from 4.9 cents in 1962 to 5.9 cents in 1970. Ingredients other than flour accounted for roughly 73 percent of the 1970 value. Farmers received 9 to 11 percent of the retail price.

The annual average farm-retail spread varied from 46.7 cents in 1962 to 44.5 cents in 1969, but increased sharply to 46.1 cents in 1970.

Corn Flakes

During 1947-70, the annual average retail price of corn flakes increased every year except 1955, when it did not change; and 1956 and 1968, when it declined 0.1 cent (table 50). It rose to 32.2 cents per 12-ounce package in 1970 from 14.8 cents in 1947. This 118-percent increase compares with a 41-percent increase in market basket retail cost.

Farm-retail spread increased in all but 3 years during 1947-70. In 1970, it averaged 154 percent wider than in 1947. As a percentage of retail price, farm-retail spread is larger for corn flakes than for most other foods in the market basket.

Discussing price competition in the breakfast cereal industry, the National Commission on Food Marketing stated: "Price competition, in the sense of varying prices relative to supply and demand and also in the sense of using price as a major vehicle in the manufacturer's marketing mix, does not play an important role in this industry" (19, p. 169).

Advertising and promotion costs, according to Commission estimates, made up 22 percent of the farm-retail spread for breakfast cereals in 1964 (17, p. 17). Further, data showed manufacturers' advertising expenditures on breakfast cereals increased 65 percent from 1958 to 1965. The Commission report stated that "most of the increase reflects a substantially higher level of advertising activity" (19, p. 149).

The farmer's share of the retail price of corn flakes declined from 16 percent in 1947-49 to 6 percent in 1968-70, mainly because of the increase in the farm-retail spread.

Long-Grain Rice

Retail price per pound of long-grain rice in the U.S. cities in which sales of this type of rice predominate averaged 13 percent higher in 1970 than in 1960, the first year for which such prices were available (table 51). Farm value and farm-retail spread increased 6 percent and 16 percent respectively, during this period. Farmers received 31 percent of retail price in 1970, compared with 34 percent in 1960.

DAIRY PRODUCTS

Dairy products accounted for 18 percent of the market basket's total retail cost in 1970, 22 percent of its farm value, and 15 percent of its farm-retail spread (table 2). The dairy products group contains: (1) fluid products, represented by fresh whole milk sold in stores and delivered to homes and skim milk sold in stores; and (2) manufactured products, represented by butter, American process cheese, evaporated milk, and ice cream. Fluid products accounted for 59 percent of the retail cost of the dairy products in the market basket in 1970.

From 1957-59 to 1970, farm value of dairy products rose at a considerably faster rate than did market basket farm value. However, the rate of increase in the farm-retail spread was slightly slower for this group than for the market basket. Retail cost of the group increased at a faster rate than retail cost of the market basket (tables 34 and 35).

Farm values and retail prices of individual dairy products have similar seasonal patterns. Retail prices and farm values vary inversely with seasonal fluctuations in milk production. During 1960-70, retail cost and farm value of the dairy products group declined to seasonal lows in May and June and rose to seasonal highs in late fall (table 21). Seasonal variations were smaller for retail cost than for farm value. Farm-retail spread was largest in the spring and smallest in late fall and winter.

Butter

Retail price of butter averaged about 6 percent higher in 1970 than in 1951-53 (table 36). 15/ This was the smallest increase for any dairy product except ice cream. The rise was small mainly because farm value declined.

15/ For comparison with 1970, 1951-53 was selected because 1951 is the earliest year with retail prices available for all dairy products in the market basket sample. Prices farmers received for milk averaged higher in 1951-53 than in any years between 1953 and 1966.

Table 21.--Dairy products: Seasonal indexes of retail costs, farm value, and farm-retail spread, 1960-70

(Annual average = 100)

Month	Retail price	Farm value	Farm-retail spread
January	100.3	101.1	99.6
February	100.1	100.7	99.5
March	100.0	100.0	100.0
April	99.5	98.4	100.6
May	99.4	97.8	100.5
June	99.4	97.8	100.7
July	99.7	99.1	100.2
August	100.0	100.1	100.0
September	100.3	100.8	99.8
October	100.5	101.3	99.7
November	100.5	101.4	99.9
December	100.4	101.4	99.6

Net farm value of butter averaged about 3 percent lower in 1970 than in 1951-53. This decrease resulted from an increase in the byproduct allowance--the part of gross farm value allocated to the byproduct. After 1951, the wholesale price of nonfat dry milk--the principal byproduct of butter--increased more than that of butter. The cost of manufacturing nonfat dry milk decreased relative to that for butter. Consequently, more of the cost of milk from which these two products were manufactured was allocated to the cost of nonfat dry milk. As a result, net farm value of butter decreased, although the price that farmers received for milk used to make butter averaged 31 percent higher per pound of milk fat in 1970 than in 1951-53.

Farm value of butter was relatively stable during the last 3 years of the 1960's, after rising sharply in 1966. Year-to-year changes were small during 1954-65. In the earlier postwar years, however, farm value fluctuated widely.

Farm values of butter and other dairy products increased in 1966, along with prices farmers received for milk. Milk prices rose in response to a 3-percent decrease in production and an increase in the level at which the Federal Government supported the price of manufacturing-grade milk. Market prices, however, had already risen before the Government support level increased.

Production of milk did not vary greatly during 1954-65. Output per cow increased sufficiently to keep total production fairly stable, although the number of milk cows decreased each year. Production, however, declined yearly during 1965-69 and increased slightly in 1970. The average price farmers received for manufacturing-grade milk equaled or exceeded the Government support level in all but 2 years during 1949-69.

Farm-retail spread accounted for 29 percent of the retail price of butter in 1970. This percentage was much smaller than comparable percentages for other manufactured dairy products, because the manufacture of butter is a comparatively simple operation, and transportation costs are low relative to retail price. Also, the retail store margin as a percentage of retail price is smaller for butter (and evaporated milk) than for the other dairy products in the market basket sample (18, p. 200).

Farm-retail spread for butter (in cents per pound) averaged 40 percent wider in 1970 than in 1951-53--a larger increase than for all other manufactured dairy products except American process cheese. Frequently, retail price of butter did not decline as much as farm value, when both were responding to increases in butter production. As a result, cumulative increases occurred in the spread.

The wholesale-retail segment of the farm-retail spread probably increased less in percentage terms than the farm-wholesale segment. The difference between the U.S. average retail price of butter in urban areas (table 36) and the wholesale price of grade A bulk butter at Chicago increased 33 percent from 1951-53 to 1968-70. However, the difference between the Chicago wholesale price and farm value increased 43 percent. Prices in wholesale markets other than Chicago differed from the Chicago price mainly in transportation costs, which are small relative to prices of butter.

Farmers received 71 percent of the retail price of butter in 1970, compared with 78 percent in 1951-53--the largest share from butter of any other dairy product in the market basket sample.

American Process Cheese

Retail price of American process cheese averaged 50 percent higher in 1970 than in 1951-53--a larger increase than for any other manufactured dairy product in the market basket sample (table 37). Much of the increase came in 1966, 1969, and 1970, when both farm value and farm-retail spread increased. Changes in disposable personal income probably affect consumer demand for cheese more than consumer demand for any other dairy product. 16/

In 1970, farm-retail spread averaged 66 percent wider than in 1951-53--a larger increase than for other manufactured dairy products. The spread frequently widened when farm value declined, but it decreased less frequently when farm value rose. Also, when increases occurred in the spread, they generally were larger than preceding decreases.

Farm-retail spread made up 56 percent of the retail price of American process cheese in 1970--a larger percentage than for any other manufactured dairy product in the market basket sample except ice cream. The spread includes the costs of assembling milk; making, curing, and processing natural cheese into the final product; packaging; and distribution. Retailers take a larger percentage margin on cheese than on other dairy products (18, p. 200).

16/ This statement is based on elasticities with respect to income in (3, p. 17). The elasticity of 0.45 for cheese compares with 0.35 for ice cream, 0.33 for butter, 0.16 for fluid milk and cream, and zero for evaporated and condensed milk.

Farmers received 44 percent of the retail price of American process cheese in 1970, compared with 49 percent in 1951-53.

Evaporated Milk

Prices consumers paid in retail foodstores for a 14½-ounce can of evaporated milk averaged 28 percent higher in 1970 than in 1951-53 (table 38). Retail price increased each year after 1964.

Farm value of evaporated milk averaged 21 percent higher in 1970 than in 1951-53. The U.S. average price that farmers received for milk for evaporating increased less than did prices of milk used for butter and cheese because of an increase in the proportion of evaporated milk produced in the South. Per pound of fat, prices of milk for manufacture are lower in the South than in other regions. Variations in farm value were similar to those in farm values of other manufactured dairy products. After declining in 1953-54, farm value of evaporated milk remained relatively stable until 1966, when it increased sharply. Since then it has increased each year.

Farm-retail spread averaged 34 percent wider in 1970 than in 1951-53. Most of this raise came during the 1950's. The spread made up 53 percent of retail price in 1970, compared with 51 percent in 1951-53.

Ice Cream

Prices consumers paid for ice cream averaged 5 percent lower in 1970 than in 1951-53 (table 39). Much of the decrease came during 1959-65, when farm-retail spread decreased. After 1965, the price increased 8 percent through 1970.

Farm value of ice cream averaged about 8 percent higher in 1970 than in 1951-53. The increase was relatively small, because average fat content of ice cream had decreased. The price of milk per pound of fat, from which farm value was calculated, increased 31 percent; and farm value of sugar used rose 32 percent from 1951-53 to 1970. Farm value of the sugar accounted for 6 percent of total farm value of ice cream in 1951-53 and 7 percent in 1970. Year-to-year variations in farm value were much the same for ice cream as for other manufactured dairy products.

Farm-retail spread for ice cream was 11 percent smaller in 1970 than in 1951-53. During 1959-66, the spread decreased every year except 1962, when it did not change from the previous year.

Several developments may have accounted for decreases in farm-retail spread and retail price during 1959-66. Economies of scale and increased automation in handling milk and other ingredients, in freezing, and in packaging contributed to the decrease in the spread. Many supermarkets sold private-label ice cream in addition to, or instead of, manufacturer-brand ice cream. In a rising percentage of supermarkets, private-label ice cream was generally cheaper and probably sold in larger volume than the manufacturer-brand ice cream. Thus, for these supermarkets, BLS agents probably recorded prices of private-label brands rather than manufacturer brands. 17/ This shift by BLS probably accounted for part of the decline in retail prices used in calculating farm-retail spreads (18, p. 262). Also, ice cream was one of the foods which supermarkets advertised at reduced prices to attract customers.

Farm-retail spread represented 66 percent of the retail price of ice cream in 1970--the largest proportion of any dairy product in the market basket sample The spread includes the costs of assembling milk and other ingredients, and of freezing, storing, transporting, and performing other marketing operations. These costs are high because the product is manufactured, transported, and stored at low temperatures. Farm-retail spread also includes the costs of minor ingredients not originating on U.S. farms.

Fresh Milk

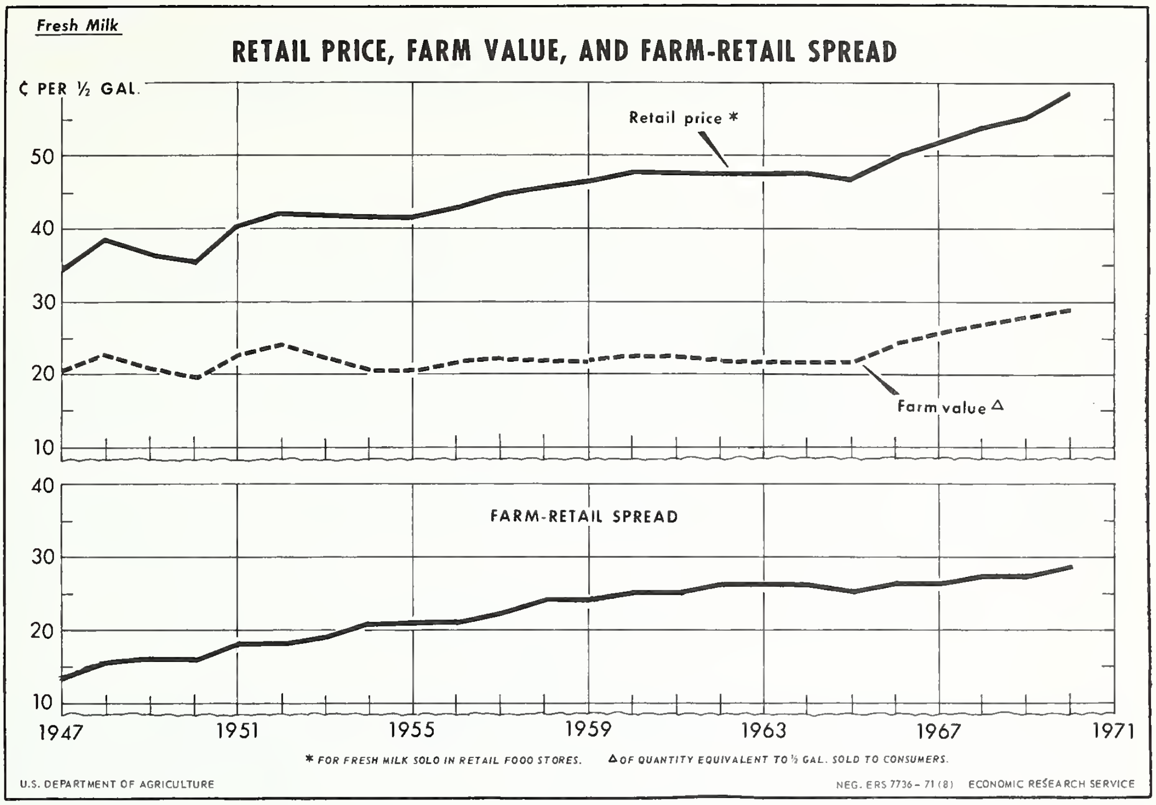
Prices of fresh milk sold in retail stores and of fresh milk delivered to homes increased at a faster rate from 1951-53 to 1970 than did retail prices of most manufactured dairy products. Retail prices of both types of fresh milk varied closely with farm values, while farm-retail spreads increased gradually (fig. 15).

During 1951-53 to 1970, farm value of fresh milk increased 25 percent, compared with an increase of 31 percent in prices farmers received per pound of fat for manufacturing-grade milk. The smaller farm value increase for fresh milk resulted partly from a decrease in the average fat content of fresh milk sold to consumers.

Prices received by farmers for milk distributed in fluid form to consumers are higher than those received for milk that can be used only in manufactured products. Farmers' production costs are higher for milk distributed in fluid form because special facilities and more careful handling are required to meet the stricter sanitary standards. Much fresh milk is produced near large metropolitan areas, where production costs are high, whereas most manufacturing-grade milk is produced in relatively low-cost areas. The perishability of fresl milk and high transportation costs restrict regular shipments from these low-cost areas to many metropolitan areas.

Farm-retail spread of milk sold in stores was 55 percent wider in 1970 than in 1951-53, while the spread of home-delivered milk was 72 percent wider (tables 40 and 41). In 1970, the spread made up 50 percent of the retail price of store milk and 56 percent of the retail price of home-delivered milk.

17/ A store may stock several brands or types of a food that comply with BLS specifications but differ significantly in price. BLS agents price the type that the store sells in largest volume. If sales of another type have been double those of the type BLS prices--and this has been true for an extended period--these agents substitute the other type for the type they have been pricing. The price of the type substituted is then compared directly with that of the type previously priced.



* FOR FRESH MILK SOLD IN RETAIL FOOD STORES. △ OF QUANTITY EQUIVALENT TO ½ GAL. SOLD TO CONSUMERS.

U.S. DEPARTMENT OF AGRICULTURE NEG. ERS 7736-71 (8) ECONOMIC RESEARCH SERVICE

Figure 15

Transportation costs are high for fresh milk since its weight is high relative to its value; also, distances hauled between farms and plants frequently are greater for milk to be distributed in fluid form than for manufacturing-grade milk.

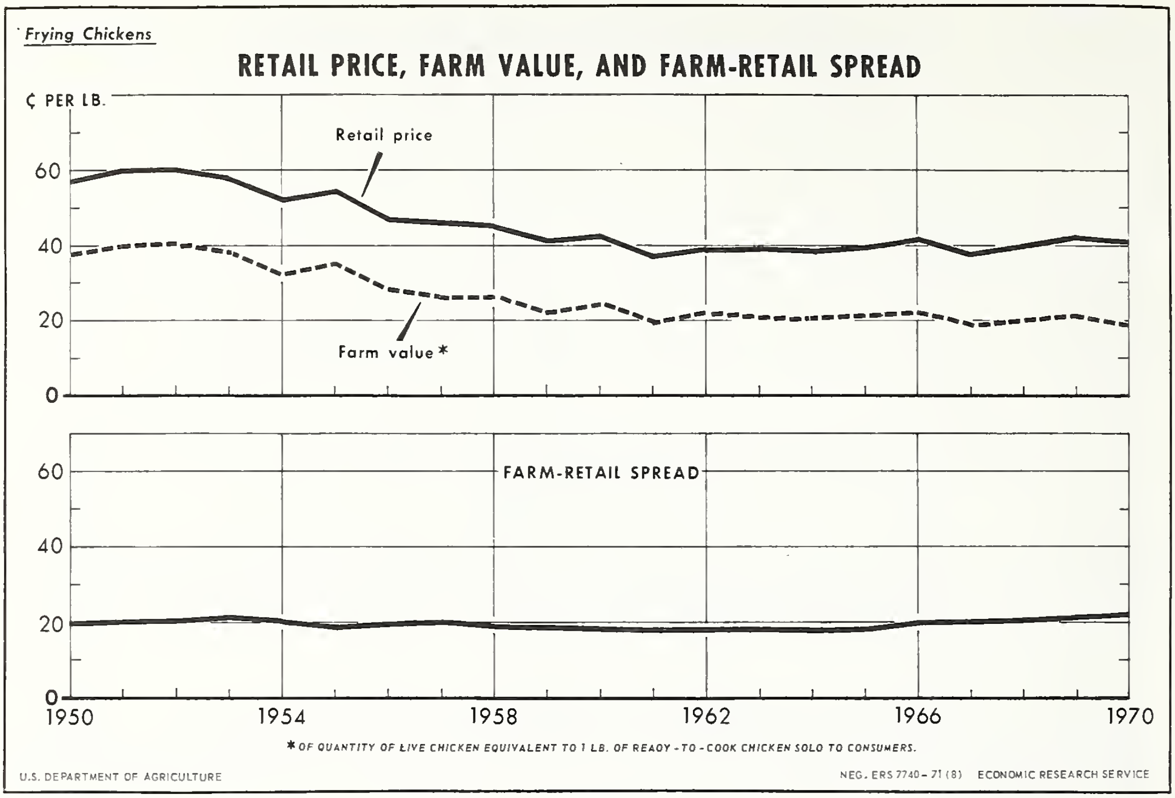
The farmer's share of the retail price of fresh milk in 1970 averaged 50 percent for store milk and 44 percent for home-delivered milk, compared with 56 and 52 percent, respectively, in 1951-53.

POULTRY

In 1970, poultry accounted for 4 percent of market basket retail cost, 5 percent of total farm value, and 4 percent of farm-retail spread (table 2). Until recent years, only frying chickens represented these products in the market basket sample. Since December 1963, turkeys also have been included.

Frying Chickens

Frying chickens, or broilers as they are commonly called in the producing areas, are one of the few products in the market basket that have declined in retail price. In 1970, they averaged 40.6 cents a pound, compared with 58.9 cents in 1950-52 (table 42 and fig. 16). Per capita consumption increased each year except 1962.



RETAIL PRICE, FARM VALUE, AND FARM-RETAIL SPREAD

* OF QUANTITY OF LIVE CHICKEN EQUIVALENT TO 1 LB. OF READY-TO-COOK CHICKEN SOLD TO CONSUMERS.

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Figure 16

During 1950-70, farm value varied from 40.5 cents in 1952 to 18.5 cents in 1970.

Farm value and retail price generally rose to a high for the year in late winter and declined to a low in the fall. Variations within the year were considerably smaller during the 1960's than in the 1950's.

Short-term fluctuations in production caused some larger than usual variations in farm value and retail price, particularly in the 1950's. Prices of other meats also influenced the price of frying chickens. Both retail price and farm value of frying chickens increased in 1965, 1966, and 1969, years when retail prices of beef and pork rose sharply, although per capita production of frying chickens increased.

The spread between retail price and farm value of frying chickens decreased from 20.6 cents in 1953 to 17.5 cents in 1961, then widened to 22.1 cents in 1970. Economies of scale, automation, and other gains in marketing efficiency brought about the decreases in the 1950's and kept later increases smaller than those for most other products.

Usually, retail price moved in the same direction as farm value during 1950-70, but sometimes increased or decreased less, causing farm-retail spread to vary inversely with farm value.

The share of retail price received by broiler producers tended to decrease during 1950-70 as a result of the downward trend in prices received by producers relative to farm-retail spreads. This share varied from 68 percent in 1952 to 46 percent in 1970.

Turkeys

Farmers receive higher prices per pound for turkeys than for broilers. Farm value has also been higher, although the farm-product equivalent--the quantity of live bird equivalent to 1 pound of the retail product--has been smaller for turkeys (table 43). Reasons for these relations include longer growing period, higher disease risks, and larger capital investment for turkey production.

During 1964-70, farmers received a larger share of the retail price for turkeys than for frying chickens, although farm-retail spread was slightly wider for turkeys.

EGGS

Retail price and farm value of eggs trended downward during the 1950's and 1960's (table 44 and fig. 17). The high levels reached in 1969 were lower than those in 1953, the first year for which prices were available for U.S. Grade A large eggs. [18] Retail price per dozen and farm value averaged lowest in 1967--49.2 cents and 29.0 cents, respectively. Low price levels in 1967 and early 1968 brought a sizable reduction in the number of laying hens and a decrease in production. As a result, prices in the second half of 1968 and in 1969 averaged considerably higher than a year earlier. In 1970, however, increased production kept prices low during much of that year.

According to 1960-70 seasonal indexes, farm value of eggs rose 40 percent from a low in June to a high in September. Retail price also reached its low in June but did not reach its high until October--25 percent above the June low. The index for the farm-retail spread fluctuated between 93 in September and 107 in January (table 22).

The spread between retail price and farm value of eggs changed little from year to year during 1953-69. It averaged 21.3 cents in 1968-70, compared with 20.4 cents in 1953-55. Economies of scale, substitution of machines for hand labor in grading and packing, and other improvements in marketing efficiency kept the spread from widening despite increases in cost rates. In 1970, however, the spread increased 11 percent to 22.9 cents.

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[18] Before 1953, average retail prices and farm values for all grades and sizes of eggs were used in calculating market basket totals.

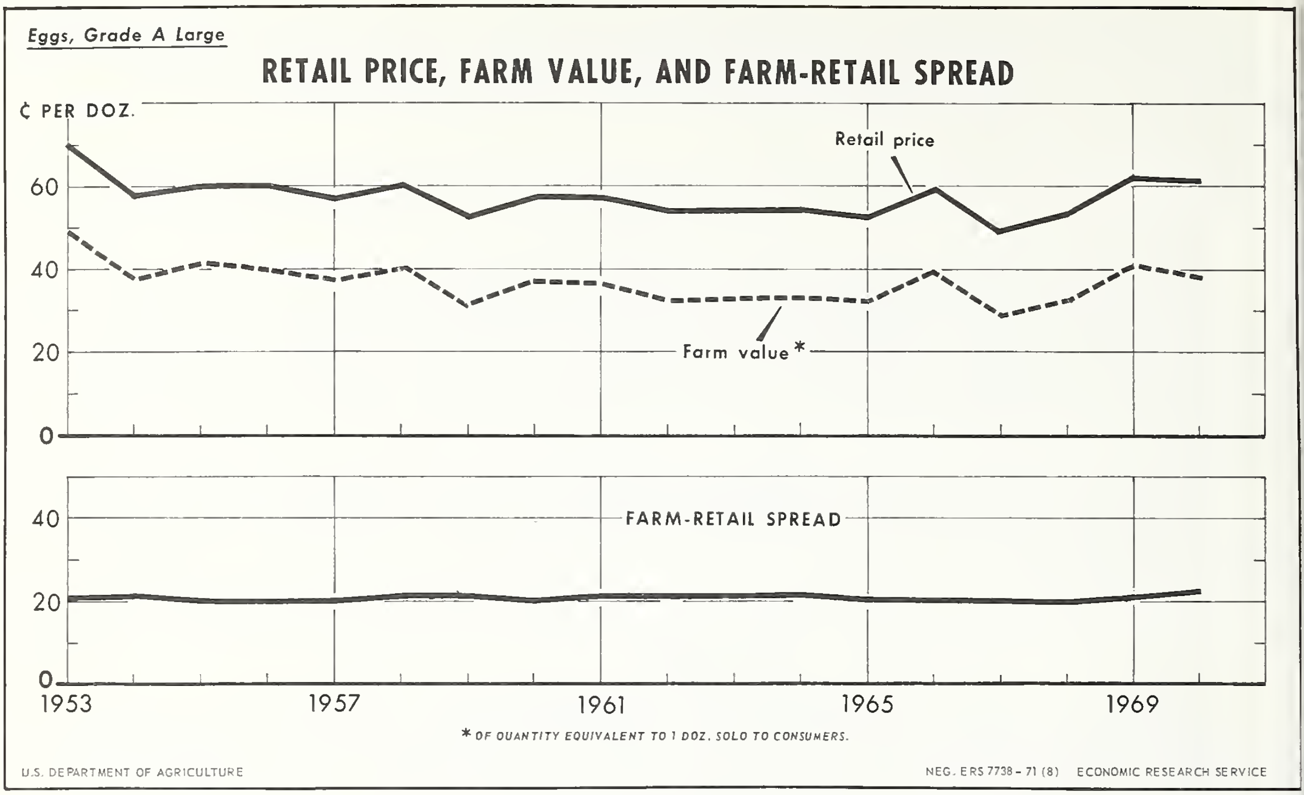

Figure 17

Table 22.--Eggs: Seasonal indexes of retail price, farm value, and farm-retail spread, 1960-70

(Annual average = 100)

Month	Retail price	Farm value	Farm-retail spread
January	106.2	105.4	106.9
February ...	104.0	104.8	102.2
March	99.2	98.1	98.8
April	97.1	99.7	99.7
May	89.8	82.9	101.8
June	87.2	80.9	97.7
July	91.4	88.1	94.9
August	98.8	98.9	99.4
September ..	106.6	113.6	93.4
October	109.3	111.0	103.8
November ...	103.8	105.6	99.8
December ...	107.0	109.8	101.3

FATS AND OILS

The fats and oils group ranks last in retail cost among the product groups in the market basket (table 2). Its total retail cost made up only 3 percent of market basket retail cost in 1970. The group's farm value, however, ranked ahead of that for miscellaneous products; and its farm-retail spread was larger than those of poultry or eggs.

Trends in Group Totals

Retail cost of the fats and oils group declined sharply in the late 1940's and early 1950's. In 1970, it averaged 9 percent higher than in 1957-59, but 7 percent lower than in 1947-49 (tables 83 and 84).

Total farm value of the group varied widely during the late 1940's and early 1950's, and large year-to-year changes were not uncommon in later years. Farm value in 1970 averaged 11 percent higher than in 1957-59 but 30 percent lower than in 1947-49.

In most years, net farm value of these products varied closely with prices of oil-bearing crops. However, the byproduct allowance almost doubled between 1957-59 and 1970; thus, net farm value was only 11 percent higher in 1970, despite a 46-percent increase in gross farm value. The value of meal obtained from crushing soybeans and cotton seed increased relative to that of oil.

Annual average farm-retail spread for the fats and oils group averaged 9 percent wider in 1970 than in 1957-59 and 8 percent wider than in 1947-49. Year-to-year changes were comparatively large in several years and included decreases as well as increases.

Margarine and Vegetable Shortening

Retail price of margarine showed no definite trend during the 1960's, after declining during the 1950's (table 85 and fig. 18).[19] Margarine accounted for more than two-fifths of retail cost of the fats and oils group in 1970.

Margarine's farm value, like its retail price, showed no trend in the 1960's, after declining during the 1950's. A larger percentage of the value of soybeans and cotton seed was attributed to byproducts during the 1960's than in the preceding decade; thus, the upward trend in gross farm value in the 1960's was not accompanied by a similar trend in net farm value. Farm value of nonfat dry milk, a minor ingredient of margarine, did not affect variations in gross and net farm values significantly.

Farm value and retail price tended to move in the same direction, although movements in opposite directions sometimes occurred. Farm-retail spread showed little tendency to rise during 1959-70.

19/ The retail price of colored margarine was not available before 1951 but was available for uncolored margarine, which appeared in the 1935-39 market basket.

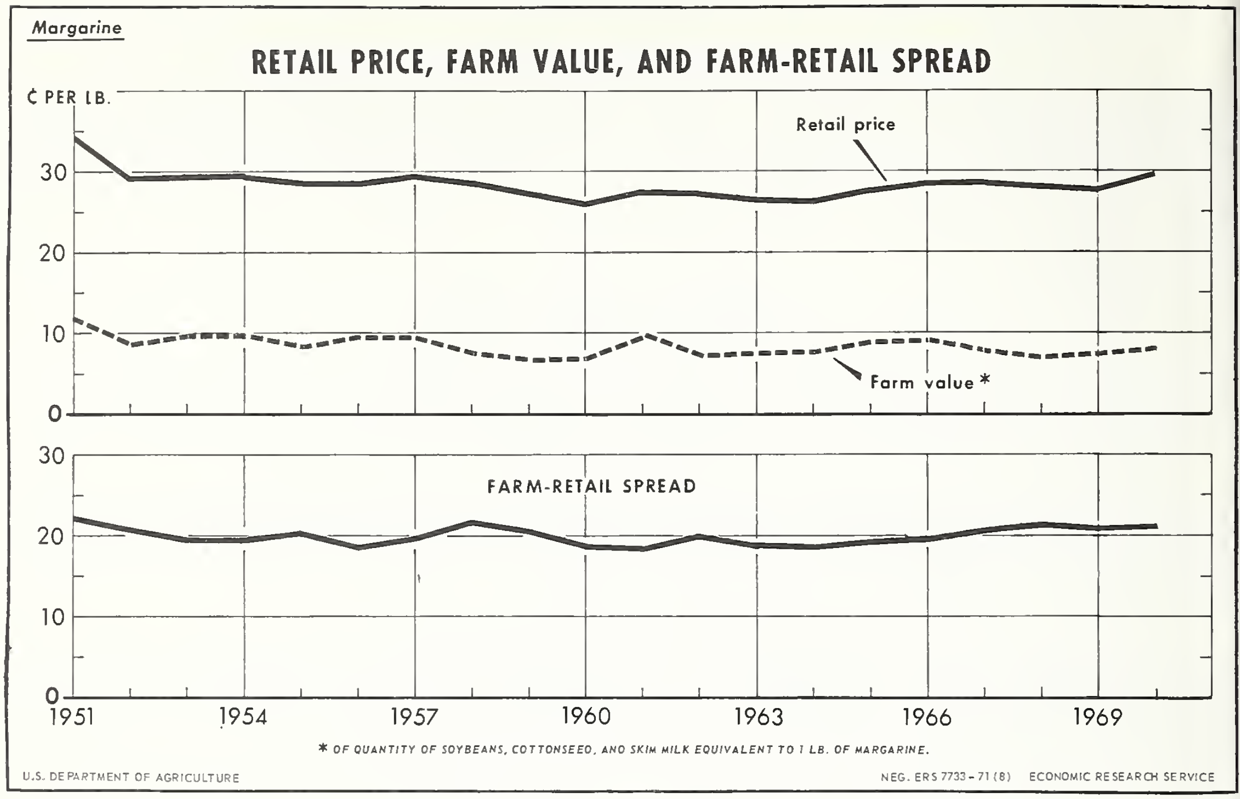

Figure 18

Year-to-year variations in retail price and farm value of vegetable shortening during 1951-70 generally were in the same direction as corresponding variations in retail price and farm value of margarine (table 86). Similarity would be expected since vegetable shortening is made mainly from soybean and cotton seed oils, which account for most of the farm value of margarine. However, retail price and farm-retail spread, unlike those of margarine, were lower in 1970 than in 1957-59. Farmers received a larger share of the retail price of vegetable shortening than of margarine.

Peanut Butter

Retail price of peanut butter trended upward during the 1950's and 1960's, rising from 37.2 cents per 12-ounce jar in 1953 (the first year for which these prices were available), to 47.7 cents in 1970 (table 87) 20/. Farm value, however, changed little from year to year. Farm-retail spread increased less during the 1960's than during the 1950's. It averaged 32.8 cents in 1970, compared with 28.8 cents in 1957-59 and 24.4 cents in 1953-55.

20/ BLS did not collect prices for peanut butter from August 1947 to December 1952. Peanut butter was in the 1935-39 market basket sample, however.

III.--DESCRIPTION OF DATA AND METHODOLOGY

Of the 65 domestically produced foods making up the market basket sample, 59 are part of the sample selected by BLS for its Consumer Price Index (CPI). 21/ The market basket also includes six foods (canned peaches, canned corn, frozen peas, peanut butter, vegetable shortening, and lemons) that are not in the CPI sample. ERS included these six relatively prominent foods that were in previous market basket samples to continue data collection for these foods and to increase the number of processed products in the sample. BLS collects prices for these six foods specifically for use by ERS in calculating retail cost of the market basket.

SELECTION OF SAMPLE FOODS AND DERIVATION OF WEIGHTS

The procedure that BLS used in selecting items in its current CPI sample ensured inclusion of products that ranked highest with respect to consumer expenditures. Other items were selected randomly by BLS. 22/

As mentioned in Part I of this report, not all foods in the CPI sample were included in the current ERS market basket sample. Cocoa, coffee, tea, bananas, fish, and several minor items were excluded because the supply of each item consumed in this country is entirely or mostly imported or is not of farm origin. The intention was to include only those processed foods of which U.S. farm-originated products accounted for more than half the cost of ingredients. Thus, candy, chewing gum, chocolate and other flavored syrups, and soft drinks were excluded.

Several domestic farm foods that BLS selected and publishes prices for were not included in the current market basket sample because accurate farm product equivalents could not be estimated. Among these foods were frankfurters, canned ham, fresh chicken breasts, Italian salad dressing, and cinnamon rolls.

ERS derived quantity weights for the 65 sample foods in its current market basket sample from "cost weights" (explained below). These cost weights were derived by ERS from estimates of food expenditures by families of urban wage earners and clerical workers and workers living alone (table 23). The estimates were based on a BLS survey of consumer expenditures in 66 Standard Metropolitan Statistical Areas (SMSA's) and smaller cities, mainly in 1960-61. BLS also collected data on quantities of food purchased and prices paid.

The cost weight for each item in the ERS market basket sample represents the expenditure for that food, plus expenditures for other U.S. farm-originated foods for which prices were not available. The following example shows the procedure used. A price was not available for tomato juice; thus, expenditure

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21/ Data and estimating procedures used in developing farm-food market basket statistics are described more extensively in (6).

22/ BLS selected the present CPI sample for the 1964 revision of the index. The previous sample was selected for the 1953 revision. For a description of BLS sampling, weighting, and pricing procedures, see: (20, 23, and 24).

Table 23.--Farm-food market basket: Sample foods, cost and quantity weights, and relative importance of cost weights, 1957-63 and 1964 forward 1/

Sample foods	Retail unit	Cost weights 1964 sample	Cost weights 1957-63 sample	Quantity weights 2/ 1964 sample	Quantity weights 2/ 1957-63 sample	Relative importance of cost weights, December 1963 1964 sample	Relative importance of cost weights, December 1963 1957-63 sample
		Dollars		Number		Percent	
Market bakset		1,004.146	1,004.146			100.0	100.0
Meat products	Pound	282.283	282.283			28.1	28.1
Beef, all	do.	156.522	156.522	217.1	217.1	15.6	15.6
Lamb	do.	7.147	7.147	9.9	9.9	.7	.7
Pork, all	do.	108.265	108.265	203.9	203.9	10.8	10.8
Veal	do.	10.349	10.349	12.5	12.5	1.0	1.0
Dairy products		179.642	179.642			17.9	17.9
Butter	do.	15.972	15.972	21.6	21.6	1.6	1.6
Cheese, American process	½ pound	23.542	23.542	65.0	65.0	2.3	2.3
Ice cream	½ gallon	20.933	20.933	25.5	25.5	2.1	2.1
Milk, evaporated	14 ½-ounce can	12.975	12.975	87.1	87.1	1.3	1.3
Milk, fresh:							
Home-delivered	½ gallon	45.457	46.662	84.8	87.1	4.5	4.7
Sold in stores	do.	58.021	59.558	120.6	123.8	5.8	5.9
Skim	Quart	2.742	---	12.4	---	.3	---
Poultry and eggs		87.176	87.176			8.7	8.7
Chicken, frying	Pound	42.004	46.449	109.1	120.6	4.2	4.6
Turkey	do.	4.445	---	9.4	---	.4	---
Eggs, large grade A	Dozen	40.727	40.727	72.1	72.1	4.1	4.1
Bakery and cereal products		158.900	158.900			15.8	15.8
Bread, white	Pound	46.258	54.760	224.6	265.8	4.6	5.4
Bread, whole or cracked wheat	do.	8.502	---	32.6	---	.8	---
Cake, layer with icing	do.	27.994	---	51.8	---	2.8	---
Cookies, sandwich	do.	14.403	42.397	28.1	82.6	1.4	4.2
Cracker meal	8 ounces	5.397	---	28.9	---	.5	---
Crakers, soda	Pound	---	11.257	---	36.4	---	1.1
Pretzels	8 ounces	5.860	---	18.8	---	.6	---
Corn flakes	12 ounces	16.963	13.884	60.4	49.4	1.7	1.4
Cornmeal	Pound	---	2.928	---	20.2	---	.3
Biscuit mix	40 ounces	---	10.703	---	22.3	---	1.1
Flour, white	5 Pounds	25.849	15.146	46.7	27.3	2.6	1.5
Rice, long-grain	Pound	7.674	4.746	35.2	21.8	.8	.5
Rolled oats	18 ounces	---	3.079	---	12.7	---	.3
All fruits and vegetables		211.244	211.244			21.0	21.0
Fresh fruits and vegetables		100.558	100.558			10.0	10.0
Fresh fruits		40.597	40.597			4.0	4.0
Apples	Pound	13.091	13.558	86.7	89.8	1.3	1.4
Grapefruit	Each	3.390	3.510	27.1	28.1	.3	.3
Grapes	Pound	.637	.659	2.4	2.5	.1	.1

Continued--

Table 23.--Farm-food market basket: Sample foods, cost and quantity weights, and relative importance of cost weights, 1957-63 and 1964 forward 1/--Continued

Sample foods	Retail unit	Cost weights		Quantity weights 2/		Relative importance of cost weights, December 1963	
		1964 sample	1957-63 sample	1964 sample	1957-63 sample	1964 sample	1957-63 sample
		Dollars		Number		Percent	
Lemons	Pound	1.664	1.724	7.9	8.2	.1	.2
Oranges	Dozen	14.872	15.402	18.0	18.6	1.5	1.5
Orange juice, chilled	Quart	2.773	---	5.5	---	.3	---
Peaches	Pound	---	1.425	---	8.2	---	.1
Strawberries	Pint	2.219	2.298	8.8	9.1	.2	.2
Watermelons	Pound	1.951	2.021	54.2	56.2	.2	.2
Fresh vegetables		59.961	59.961			6.0	6.0
Beans, green	do.	---	2.529		8.9	---	.3
Cabbage	do.	3.211	3.383	38.2	40.3	.3	.3
Carrots	do.	4.217	4.443	28.3	29.8	.4	.4
Celery	do.	3.892	4.100	28.6	30.1	.4	.4
Cucumbers	do.	2.173	---	11.9	---	.2	---
Lettuce	Head	10.930	11.516	42.5	44.8	1.1	1.2
Onions	Pound	4.379	4.614	38.4	40.5	.4	.5
Peppers, green	do.	2.790	---	10.9	---	.3	---
Potatoes	10 pounds	16.471	17.353	27.5	29.0	1.7	1.7
Spinach	10 ounces	1.654	---	6.2	---	.2	---
Sweetpotatoes	Pound	---	1.230	---	8.7	---	.1
Tomatoes	do.	10.244	10.793	24.7	26.0	1.0	1.1
Processed fruits and vegetables		110.686	110.686			11.0	11.0
Processed fruits		46.049	46.049			4.6	4.6
Fruit cocktail, canned	No. 303 can	7.258	8.980	27.4	33.9	.7	.9
Orange juice, canned	44-ounce can	---	4.172	---	7.0	---	.4
Peaches, canned	No. 2½ can	14.715	18.203	45.0	55.7	1.5	1.8
Pears, canned	do.	5.209	---	11.1	---	.5	---
Lemonade, frozen	6-ounce can	4.136	1.366	28.1	9.3	.4	.2
Orange juice, frozen	do.	14.731	7.790	45.6	24.1	1.5	.8
Strawberries, frozen	10 ounces	---	3.308	---	12.1	---	.3
Prunes, dried	Pound	---	2.230	---	5.6	---	.2
Processed vegetables		64.637	64.637			6.4	6.4
Beans with pork, canned	16-ounce can	---	5.061	---	33.5	---	.5
Beets, canned	No. 303 can	2.179	---	12.9	---	.2	---
Corn, canned	do.	10.349	9.582	54.5	50.4	1.0	1.0
Peas, canned	do.	8.156	7.552	36.1	33.4	.8	.7
Tomatoes, canned	do.	13.700	9.323	85.6	58.3	1.4	.9
Catsup	14 ounces	---	3.363	---	15.1	---	.3
Pickle relish	12 ounces	6.712	---	21.5	---	.7	---
Pickles, sliced	15 ounces	---	6.215	---	22.8	---	.6
Beans, green, frozen	9 ounces	---	3.752	---	15.9	---	.4

Continued--

Table 23.--Farm-food market basket: Sample foods, cost and quantity weights, and relative importance of cost weights 1957-63 and 1964 forward 1/--Continued

Sample foods	Retail unit	Cost weights		Quantity weights 2/		Relative importance of cost weights, December 1963	
		1964 sample	1957-63 sample	1964 sample	1957-63 sample	1964 sample	1957-63 sample
		Dollars		Number		Percent	
Broccoli, frozen	10 ounces	4.198	---	15.2	---	.4	---
Peas, frozen	do.	6.318	6.764	29.9	32.1	.6	.7
Potatoes, french fried frozen	9 ounces	5.580	10.558	32.6	61.7	.6	1.1
Potatoes, instant mashed	7 ounces	4.978	---	14.1	---	.5	---
Beans, dry	Pound	2.467	2.467	14.8	14.8	.2	.2
Fats and oils		34.954	34.954			3.5	3.5
Margarine	do.	14.720	9.575	56.4	36.7	1.5	.9
Peanut butter	12 ounces	4.877	4.877	11.2	11.2	.5	.5
Salad dressing, cooked	Pint	---	7.786	---	20.2	---	.8
Lard	Pound	---	2.727	---	13.6	---	.3
Salad or cooking oil	24 ounces	7.776	---	17.7	---	.8	---
Vegetable shortening	3 pounds	7.581	9.989	9.5	12.5	.7	1.0
Miscellaneous		49.947	49.947			5.0	5.0
Bean soup	11½-ounce can	5.596	---	37.1	---	.6	---
Chicken soup	10½-ounce can	9.476	---	51.8	---	.9	---
Tomato soup	11-ounce can	---	15.072	---	122.5	---	1.5
Spaghetti, canned	15¼-ounce can	14.974	3/14.974	99.8	3/	1.5	1.5
Grape jelly	10 ounces	11.425	11.425	45.0	45.0	1.1	1.1
Corn syrup	24 ounces	---	2.975	---	10.1	---	.3
Sugar 4/	5 pounds	8.476	5.501	12.0	7.8	.9	.6

1/ The farm-food market basket contains the average quantities of U.S. farm-originated foods purchased annually in 1960-61 per household by families of urban wage earners and clerical workers and workers living alone. Prices of sample foods were used to estimate total retail cost and farm value of all foods in the market basket. Cost weights for most sample foods include expenditures for similar foods for which prices were not available. Cost weights represent expenditures in December 1963 prices.

2/ The quantity weight is derived by dividing cost weight for a food by its average retail price in December 1963.

3/ Cost weight for canned spaghetti projected back from December 1963 to January 1957 by retail prices for canned tomatoes and crackers.

4/ Expenditure for imported sugar excluded.

Note: Dashes indicate items not available in the particular sample.

for it was added to that for canned tomatoes, one of the 65 sample items. This sample item was selected because its farmer's share and price movements were believed to approximate those of tomato juice. Other characteristics considered were similarity of marketing process, area of production, and effect of weather on production.

The sum of the cost weights equals the total retail cost of the foods in the market basket at December 1963 retail prices. The quantity weight for each of the sample foods was derived by dividing its cost weight by its retail price in December 1963.

Since cost weights of most market basket sample foods include expenditures for one or more other foods, quantity weights derived from them exceed actual quantities of these sample foods purchased in 1960-61. The quantity weight for canned tomatoes, for example, is larger than the number of cans of that product purchased during 1960-61, since the cost weight includes expenditures for tomato juice.

The market basket sample and weights for 1964 and later years (the "new sample") differ from those for 1957-63 (the "old sample") because BLS changed its sample of items priced. Of the 65 foods in the new sample, 47 were in the old one (table 23). Weights for both samples were calculated from the same expenditure data. Thus, total retail cost and farm value of market basket foods and product groups in December 1963 calculated with the new sample and weights equaled those calculated with the old sample and weights. For some products, quantity weights used to calculate farm values during 1957-63 differed slightly from weights used to calculate retail costs. Slight changes in the weights used to calculate farm values were made so that product group farm values for December 1963 would equal those calculated with the weights used in and after 1964.

During 1957-63, a few new foods were added to the sample. Weights were adjusted so that retail costs and farm values of product groups were not changed by these additions.

RETAIL PRICES

Retail cost of the market basket is computed each month from U.S. average retail prices of foods, published by BLS in "Estimated Retail Food Prices by Cities." These prices, collected in 56 cities from a sample of chain and independent foodstores, represent all urban areas in the United States with populations of 2,500 or more. Prices are collected from sample stores each month on a Tuesday, Wednesday, or Thursday of the first week that includes a Tuesday. To maintain comparability from month to month, detailed specifications describe the physical characteristics of each item priced. The volume-selling grade or brand is priced when more than one conforms to specifications established by BLS.

Benchmark Prices

BLS began benchmarking prices for each product in each city after the 1964 revision of the CPI. Prices for the benchmark month, which are computed 12 to 18 months apart, are averages of prices for products that comply fully with BLS specifications. To estimate prices it publishes for months following the benchmark month, BLS projects the most recent benchmark prices by using BLS price indexes for individual foods. Benchmark prices may differ from prices previously published for the benchmark month because price indexes used for projections may partly reflect changes in prices of products that do not conform entirely to BLS specifications. Also, differences may arise from changes in store samples.

Price Adjustments to Maintain Comparability

From time to time, BLS publishes retail prices that are not comparable with those previously published. Breaks in comparability results from (1) chang in the sample of cities and the sample stores in which BLS collects price quotations or in the way price quotations are weighted; (2) changes in commodity specifications; and (3) periodic "benchmarking" of prices. BLS does not revise its previously published prices. 23/ To maintain comparability in the market basket statistics, ERS adjusts the previously published BLS prices.

Changes in Samples and Averaging Procedures

ERS adjusted BLS prices for each month from January 1947 through December 1952. Constant ratios were used--ratios of prices in the new sample of cities to prices in the old sample for December 1952. This method was chosen because prices collected in the new sample of cities for December 1952 were the first intended to be representative of prices in all urban places having populations of 2,500 or more.

ERS adjusts for other breaks in comparability resulting from changes in samples or weights or from benchmarking by gradually adjusting previously published prices to the new levels. Prices are gradually adjusted back to the months when the last changes were made. Because they are gradual, these adjustments have a negligible effect on variations in prices between months and generally between quarters, but they do affect longer term comparisons.

Changes in Product Specifications

BLS revises its product specifications from time to time to account for changes in consumption patterns and marketing practices. Generally, the unit of the product priced or some physical characteristic of the product changes.

23/ The "linking" technique employed by BLS in constructing the CPI does not require revision of earlier prices to maintain comparability in indexes.

ERS adjusts previously published prices to prices for the new specification by multiplying the previous prices by a ratio. This is the ratio of the new price to the old price during the month or two when BLS publishes both the old and new prices. 24/

FARM VALUES

The farm value of a food is calculated by multiplying the price the farmer receives for the corresponding farm product by the farm product equivalent (fig. 19). An allowance is made in the farm value if a byproduct is obtained in processing.

Prices Received by Farmers

Farm values of most foods are calculated from average prices received by farmers; these prices are published monthly by the Statistical Reporting Service (SRS), U.S. Department of Agriculture, in "Agricultural Prices." 25/

For each product, SRS aims to estimate an average price which if multiplied by the quantity of the product sold would give the total receipts to farmers from sales of that product. Thus, the published price is an estimate of the average price received for all grades, sizes, and conditions. Most prices reported to SRS are for products delivered by farmers to local markets.

These SRS prices are averages of prices collected mainly by questionnaires mailed mostly to local buyers of farm products, such as operators of grain elevators and processing plants, commission firms, livestock auctions, and cooperative marketing organizations; and also to Federal and State milk marketing officials, country bankers and merchants, and others having a knowledge of current farm prices.

SRS also estimates "equivalent per unit returns" for some products. Marketing costs are added to or subtracted from actual prices to estimate equivalent returns at another point in the marketing process; for example, at the packinghouse door rather than the f.o.b. shipping point. Thus, the equivalent per unit return at the packinghouse door for oranges for fresh consumption is the average return per box that would have been received if growers had sold the entire volume at that point in the marketing process. Equivalent per unit returns at the packinghouse door are used in calculating farm values of those fruits for which they are available.

ERS uses market news prices collected and published jointly by USDA and State agencies to calculate farm values of beef, pork, and eggs. These prices are described in sections which discuss these products.

24/ Changes in a product's specification generally require revision of the product's farm value and the weight used to calculate its retail cost and farm value for the market basket.

25/ For a more extensive description of the concepts and statistical procedures followed in estimating these prices and for the data sources see (21).

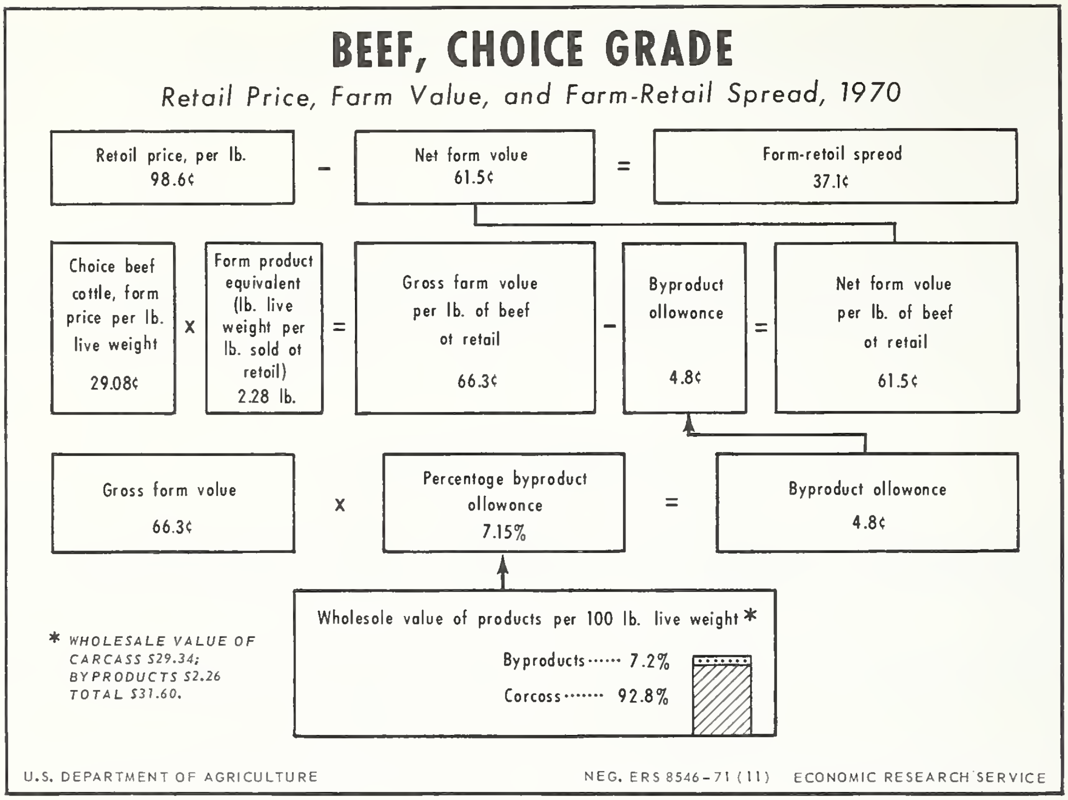
BEEF, CHOICE GRADE
Retail Price, Farm Value, and Farm-Retail Spread, 1970
Retail price, per lb. 98.6¢
−
Net farm value 61.5¢
=
Farm-retail spread 37.1¢
Choice beef cattle, farm price per lb. live weight 29.08¢
x
Farm product equivalent (lb. live weight per lb. sold at retail) 2.28 lb.
=
Gross farm value per lb. of beef at retail 66.3¢
−
Byproduct allowance 4.8¢
=
Net farm value per lb. of beef at retail 61.5¢
Gross farm value 66.3¢
x
Percentage byproduct allowance 7.15%
=
Byproduct allowance 4.8¢
Wholesale value of products per 100 lb. live weight *
Byproducts ······ 7.2%
Carcass ······· 92.8%
* WHOLESALE VALUE OF CARCASS $29.34; BYPRODUCTS $2.26 TOTAL $31.60.
U.S. DEPARTMENT OF AGRICULTURE
NEG. ERS 8546-71 (11)
ECONOMIC RESEARCH SERVICE

Figure 19

Farm Product Equivalents

A farm product equivalent is the quantity of a farm product that has to be bought from the farmer to sell a unit of this product at retail. Because of losses from waste and spoilage and from processing, the marketing system buys larger quantities from farmers than it sells to consumers.

ERS estimates farm product equivalents from data in "Conversion Factors and Weights and Measures," bulletins published by agricultural experiment stations, and other publications (25). Farm product equivalents are changed when information available indicates that the average equivalent quantity has changed as a result of changes in marketing conditions or farm products. Changes are made gradually so as not to affect farm value significantly during a short period of time.

Byproduct Allowance

ERS calculates byproduct allowances for most products from wholesale market data. The method used for Choice beef is typical (fig. 19). (Figures used are for 1970.) First, total wholesale value of all products (carcass and salable byproducts) per 100 pounds of live-weight beef cattle is calculated--$31.60. The percentage of total wholesale value that the byproducts account for--7.15--is the percentage of gross farm value attributed to them. Gross farm value--66.3 cents per retail pound--is multiplied by 7.15 percent to obtain the byproduct allowance--4.7 cents. This amount is subtracted from gross farm value to obtain net farm value--61.6 cents per retail pound.

Deduction of the byproduct allowance from gross farm value provides an estimate of the cost to the marketing system of the farm-produced raw materials from which the food product only is derived. Deduction of gross farm value from the retail price of beef would give a farm-retail spread that is less than the charge made by the marketing system for marketing the beef. Data used to calculate byproduct adjustments for products in the market basket are described in the sections on product groups.

MARKET BASKET SERIES BEFORE 1957

ERS derived market basket totals for 1947-56 by linking totals for an "old" market basket to those for the present market basket. Most foods in this old market basket sample are those whose retail prices were used to calculate retail cost for 1957-63 (table 23). The weights assigned foods in this old sample were derived from estimated expenditures by families of urban wage earners and clerical workers in 1952. 26/ Statistics for some individual products also have been published on a comparable basis extending back to 1947.

Market basket totals were extended back to 1913 by linking the totals for an older market basket to the totals extended back to 1947. Weights for foods in this older sample were based on U.S. farm food purchases in 1935-39 by all households, urban and rural. Products in the sample changed from time to time. Processed products were represented less adequately before 1953. The size of the sample was smaller before 1935 and considerably smaller before 1919. In this report, market basket totals before 1947 are given as index numbers only. Product group totals are shown only as index numbers before 1957.

The index for the farm-retail spread for 1933-46 was derived by ERS from annual totals that included Government payments during 1943-46 to firms marketing certain foods. Taxes levied in 1933-36 on processors of certain products were excluded. In 1943-46, the Federal Government paid these marketing firms in connection with its price control program. Thus, actual marketing charges for these products exceeded farm-retail spreads. The Agricultural Adjustment Act of 1933 provided for taxes on the processing of certain farm products. Revenues obtained were distributed in benefit payments to farmers who participated in the program restricting farm output of these products. In effect, marketing charges for these products were smaller than farm-retail spreads.

RELIABILITY OF ESTIMATES

Individual Retail Prices

BLS prices are, of course, subject to sampling and reporting errors. A sample may enable changes in the price to be correctly measured, but it may not provide the correct average of all prices paid for the product. Yet the manner of selecting city and store samples and the procedures followed in collecting,

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26/ For descriptions of earlier market basket statistics, see (1) and (4), both of which are out of print but may be found in public libraries.

tabulating, and weighting price quotations inspire confidence that BLS prices approximate average prices that would be obtained if data were available on all prices paid and quantities purchased. BLS used probability sampling to the extent feasible in selecting city and store samples.

It has been alleged that BLS procedures do not adequately represent special or sales prices. As a result, BLS prices of foods frequently offered at special prices are thought to be significantly higher than "true" average prices of the foods. Failure to give adequate weight to special prices is said to occur for two reasons:

1. BLS visits sample stores on Tuesday, Wednesday, or Thursday. A majority of the special prices in foodstores are for the last 3 days of the week. Thus, BLS misses weekend special prices in stores visited on Tuesday and Wednesday.

2. Retailers report that when advertised special prices are in effect, sales increase substantially. Yet BLS gives individual stores and foods the same weight each month regardless of special prices.

To obtain more information on probable effects of the failure to include all special prices, ERS contracted with BLS to collect weekend retail prices of 18 foods frequently offered at special prices during five regular BLS pricing periods in 1966-67 (2). Results indicated that, even with this additional data, BLS U.S. averages would not be appreciably lower than those it now publishes. End-of-week prices averaged only slightly lower than first-of-week prices. Some sales lasted the entire week. Also, some stores continued weekend prices during the first part of the following week. However, if actual sales volumes had been available with which to weight prices of foods frequently given special prices, U.S. average prices for these foods probably would have been lower than those computed with BLS constant store and city weights.

Beef and pork--frequently offered at special prices--together account for a larger percentage of market basket retail cost than any other two products. To provide for the effect of increased volumes sold at special prices, ERS has used supplemental data and special procedures to calculate retail prices of beef and pork.

Individual Farm Values

SRS prices, which are intended to be average prices for all types, grades, and sizes of the farm product sold, are not comparable in concept with BLS prices, which are for a specified type, grade, and size. An SRS price could change from one month to another simply because of changes in the average quality of the product marketed or in the method of sale. However, many respondents to SRS questionnaires, when reporting prices for a commodity having a basic grade for which prices are generally quoted seem to report the price for that grade instead of an estimate of the average price (22). Consequently, variations in SRS prices--at least over a period of a few years--probably reflect mainly price changes; particularly variations in annual average prices or between prices for a given month in one year and the same month of the preceding year. But over a longer period, gradual changes in product quality, location of production, marketing practices, or other conditions might affect SRS prices yet would not affect prices for products having more rigorous specifications than those required by SRS.

BLS and SRS prices are not for the same time period. In recent years, BLS generally has collected prices for the week that included the first Tuesday of the month. SRS prices for many products are for a period around the 15th of the month. For others, including milk, fresh fruits, broilers, and potatoes, SRS prices are for the entire month. Prices farmers receive for milk generally do not change during the month. However, for broilers, fresh fruits, and potatoes, average prices for the entire month could differ widely from those for the BLS pricing week. SRS prices for commercial vegetables for fresh market are available for the first half of each month; and thus more nearly match the BLS pricing date.

Data are inadequate for estimating many farm product equivalents. The quantity of a farm product that must be bought to sell a unit at retail varies widely because of conditions of the product, the care with which the product is handled, processing efficiency, and a host of other factors.

Individual Farm-Retail Spreads and Farmer's Share

Reliability of farm-retail spreads and the farmer's share depends on the accuracy and appropriateness of retail prices and farm values from which they are derived. Unfortunately, there is no reason to believe that errors in retail prices and farm values are offsetting; that, for example, an overstatement of retail price often will be offset by an overstatement of farm value.

Adjusted BLS prices used to calculate farm-retail spreads are affected by shifts in food purchases from small independent stores to large independent and chain stores and from manufacturer-brand to private-label foods. Also, they are affected by changes in the BLS city sample and population weights, which reflect changes in the distribution of population among areas and cities having different price levels. SRS prices may be affected by changes in the average level of product quality, the extent to which farmers perform marketing functions (grading, hauling, and so on), and the location of production relative to population centers. Thus, farm-retail spreads are evidently affected by factors other than costs and profits connected with providing a fixed bundle of marketing services. However, changes in marketing services have a minor effect on farm-retail spreads.

For most foods in the market basket sample, farm-retail spreads are derived by subtracting farm value for a given month from retail price for that month; that is, approximately concurrent prices are used. Since some time elapses between sale of products by farmers and purchase by consumers, it may be contended that retail price should be compared with farm value for an earlier date, resulting in a "lagged spread." Use of a farm value for an earlier date perhaps would more accurately estimate the farmer's share of the retail price on a given date.

However, adequate information is not available for accurate estimation of the average timespan between sale by farmer and purchase by consumer. This timespan varies greatly among foods and considerably in the marketing of a single product. SRS prices received by farmers for most products are for a few days around the middle of each month. A farm value based on a price for the month preceding the month to which the retail price relates would allow a lag too long for many perishable products and too short for many processed ones.

Lags are allowed in calculating farm-retail spreads for those canned and frozen fruits and vegetables for which prices received by farmers are available during the harvest season only. These lags are described in sections of this report that discuss these foods.

Total Retail Cost

BLS sampling and estimating procedures for data that ERS used to develop December 1963 cost weights were carefully designed to provide representative data. Further, BLS procedures for selecting city and store samples and collecting, tabulating, and weighting prices are reasons for confidence that market basket retail cost is projected with representative prices.

Total Farm Values

Allocation of consumer expenditures for unpriced foods to those for priced foods may have caused an error in the level of market basket farm value. To illustrate: the expenditure for rye bread, for which prices were not available, was added to that for whole-wheat bread; the total expenditure for the two foods was divided by the price of whole-wheat bread to derive a weight for the price of whole-wheat bread. This price multiplied by the derived weight equaled total retail cost of the two products in December 1963. But farm value of whole-wheat bread multiplied by the derived weight may have differed significantly from the correct total farm value of the two foods. The estimate would be accurate only if the separate farm values of the two types of bread as percentages of their retail prices were equal; that is, only if the farmer's share for rye bread was the same as his share for whole-wheat bread. Possibly, farm values of many unpriced foods as percentages of their retail prices differed from farm values of the foods to which expenditures for the unpriced items were allocated. It was intended that the expenditure of an unpriced item would be allocated to a priced item with a farmer's share of similar size, but dependable information on the farmer's share was not available for many unpriced items. Farm values of unpriced foods, however, accounted for only 24 percent of market basket farm value in December 1963. Further, errors resulting from misallocation of expenditures for unpriced foods may have been offsetting. Thus, the net effect of these errors may not have been large.

Conclusion

Market basket statistics are more reliable as indicators of changes in retail prices, farm values, and marketing spreads than as measures of absolute levels. Retail prices of products vary widely because of differences in location, method of sale, degree of competition, and many other conditions. A sample of prices for a product may not provide an accurate average of prices in all transactions. Yet it may measure changes in the average level of such prices with fair accuracy. Similarly, average prices used in calculating farm values may not be accurate for all transactions but probably measure change in returns to farmers fairly accurately.

MEAT PRODUCTS

Choice Beef

Retail Price

Retail price per pound of Choice beef is the estimated average price of all salable cuts obtained from a Choice carcass, including ground beef and stew meat. Prices obtained by ERS from a group of retail food chains, as well as BLS prices, have been used in calculating this price.

ERS now receives weekly retail price reports from 26 retail food chains. Seven report for more than one of their divisions. Headquarters of the 40 divisions reporting are located in 27 SMSA's--six in the Northeast, seven in the North Central region, 10 in the South, and four in the West.

Each division's report contains the weekly price list and other information sent to stores in its territory. The list gives regular prices for all cuts and also prices for cuts on special sale.

ERS calculates two simple averages of prices reported for each cut by food chain divisions in each of the four regions. One average is for regular prices--those prevailing in the absence of special sales. The other--"specials-included" average--is calculated from regular prices and from special-sales prices for divisions reporting special prices. ERS uses a weekend special-sales price for the entire week. However, ERS does not use a special-sales price which applies only during the first part of the week and has been carried over from the preceding week.

To obtain a U.S. average of regular prices and a U.S. specials-included average for each month, ERS weights regional monthly averages for each cut. (Weights were calculated from regional per capita consumption and population data.) ERS derives monthly prices for each cut by averaging weekly prices.

In calculating average retail prices of Choice beef cuts, ERS uses BLS prices for the cuts for which they are available, instead of food chain prices. 27/ To derive regular and specials-included prices, ERS adjusts BLS prices by using U.S. average prices computed from food chain prices. For example, two-thirds of the difference between the regular and the specials-included price of round steak is added to the BLS price of that cut to derive the adjusted BLS regular price. The remaining third of the difference is

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27/ BLS publishes U.S. average prices for hamburger and the following Choice cuts: round steak, sirloin steak, porterhouse steak, rump roast, rib roast, and chuck roast.

subtracted from the BLS price to derive the BLS specials-included price. Prices are derived for the other BLS-priced cuts in the same manner. These adjusted BLS prices are converted to a monthly basis by adding to or subtracting from them differences between corresponding weekly and monthly chain-store average prices.

Adjustments by ERS are designed to derive one price that is an average of all prices and another price that is an average of regular prices only. BLS prices are not affected by all special prices in the BLS sample of stores--for example, weekend special prices in stores visited on Tuesday. BLS prices are used instead of chain prices because they are considered more representative of prices in stores of various types and sizes throughout the United States. BLS-priced cuts account for about 47 percent of the weight of all salable cuts per 100 pounds of Choice carcass, including ground beef and stew meat.

ERS weights U.S. average prices of cuts to calculate two U.S. average prices of Choice beef--a U.S. composite regular price and a U.S. composite specials-included price. Weights used are the estimated average weights of cuts sold per 100 pounds of Choice beef carcass.

ERS derives its average price for Choice beef by subtracting 65 percent of the difference between the U.S. composite regular and specials-included prices from the latter of these two prices. This adjustment is designed to account for the effect of extra volumes sold at special prices. The composite specials-included price is an estimate of what the average price would be if each cut made up the same proportion of total sales that it represented of the carcass. However, specially priced cuts probably make up larger percentages of total sales than the percentages they represent of the carcass. Retailers make available larger quantities of the cuts on special sale by buying extra portions of the carcass that yield these cuts.

The adjustment factor--65 percent--is based on a 6-month study conducted by ERS for 16 retail food chains in five large cities during late 1967 and early 1968. Three chains were represented by more than one division. In all, 20 divisions reported data: five in Chicago, two in Denver, five in Detroit, three in Philadelphia, and five in San Francisco. Each division reported regular and special prices and quantities sold each week.

In this study, composite regular and specials-included prices of Choice beef were calculated weekly for each chain division in each city by weighting prices of individual cuts by carcass proportions. In calculating specials-included prices for individual cuts, ERS used special prices for the entire week although they might have been in effect only part of the week--the same procedure used to calculate specials-included prices from food chain data. In addition, ERS calculated a composite price by weighting the price of each cut by the actual volume sold by each chain division. This actual volume was estimated from the pounds of carcasses, primals, and other cuts that the division reported delivering to its stores. The difference between composite regular and specials-included prices is the "price effect;" the difference between specials-included and volume-weighted prices is the "volume effect."

Weekly Choice beef prices were averaged to get an average regular price, a specials-included price, and an actual volume-weighted price for each chain division during the 6-month study. Averages for individual chains were then weighted to arrive at city averages. [28]

The price effect and the volume effect differed widely from week to week, from chain to chain, and from city to city. However, in each city the volume-weighted price was lower than the specials-included price. [29] For the five cities, the volume effect averaged 65 percent of the price effect.

Retail food chains did not report prices in the same detail before 1962 as after 1962. Thus, earlier prices were estimated entirely from BLS prices. During January 1949-March 1960, BLS published prices for hamburger and three cuts of Choice beef: round steak, rib roast, and chuck roast. In April 1960, BLS added prices for sirloin steak.

Weights for BLS-priced cuts were developed from estimated average yields of the cuts per 100 pounds of Choice carcass beef (1, p. 78). The total weight of a group of cuts was assigned to one of the priced cuts. The level and trend of weighted average prices thus obtained were compared with those of average prices for Choice beef calculated from prices for all cuts collected by USDA in New York and several other cities at various times. Weights for BLS-priced cuts were corrected until weighted averages approximated fairly closely the all-cut averages. The series of prices obtained with these weights was linked to the series described earlier for the years after 1961; the 1949-61 series was multiplied by 0.99, the 1962 ratio of the new series to the old series.

Carcass Value

ERS estimates carcass value in terms of wholesale prices of the quantity of Choice carcass beef equivalent to 1 pound of beef sold to consumers in retail stores. This carcass value is subtracted from retail price per pound to derive a carcass-retail spread; and farm value is subtracted from carcass value to derive a farm-carcass spread.

Carcass equivalent.--Carcass value is computed by multiplying the U.S. average wholesale price per pound of Choice carcass beef by the carcass equivalent--the weight of Choice carcass beef equivalent to a pound of retail products. Recent data reported to ERS by the retail chains showed an average 74.6 pounds of retail cuts, hamburger, and stew beef obtained from 100 pounds of Choice carcass. Generally the weight of products sold is less than the weight cut from a carcass because of loss through pilferage, spoilage, dehydration, and refacing. Also, cuts sometimes are sold in a lower priced form because of deterioration in quality. To allow for all types of loss, the quantity sold--70.9 pounds--was estimated at 5 percent less than the quantity cut from 100 pounds of carcass beef. The carcass equivalent was 1.41 pounds from 1962 on.

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[28] Weights for each chain division were calculated from data in (15).
[29] The volume-weighted price for a chain is higher than the specials-included price if only relatively high-priced carcass cuts are given special prices and if these prices cause the cuts to account for larger percentages of total volume sold than the percentages they represent of the carcass.

Butchers trim more fat from retail cuts now than in earlier years. Thus, the yield of salable retail products per 100 pounds of Choice carcass declined from 80 pounds in 1951 and earlier years to an estimated 74.6 pounds in 1962 and later years. The carcass equivalent was 1.32 in and before 1951. For the years between 1951 and 1962, the equivalent was increased gradually to account for the gradual increase in trimming and the accompanying decrease in yield. A retail shrink of 5 percent was used for all years.

Wholesale price.--ERS estimates U.S. average wholesale prices of Choice carcass beef based on Chicago and west coast prices. Price observation at various points shows that except on the west coast, wholesale prices of carcasses throughout the United States vary closely with prices in Chicago. The Chicago price used is the carlot price for Choice steer carcasses weighing 600 to 700 pounds each. This price is adjusted to one representative of the entire United States, except the west coast, by adding 75 cents. This 75-cent differential was estimated by weighting price differences between Chicago and other markets by consumption in areas surrounding those markets; it consists mainly of transportation costs.

A price for the west coast (three Pacific Coast States and Nevada) is derived from a simple average of carlot and less-than-carlot prices for 600- to 700-pound Choice carcasses in Los Angeles, San Francisco, and the Seattle-Tacoma-Portland area--six prices in all.

In computing a U.S. average, ERS assigns the west coast price a weight of 0.134; and the price for the rest of the United States, a weight of 0.866. The weights used were calculated from regional consumption and population data.

Prices for the Chicago and west coast markets are simple averages of the mean of the daily range of quotations. The Federal-State Market News Service reports daily ranges from samples of sales believed representative of all sales. Weekly averages are published in "Livestock, Meat, Wool Market News, Weekly Summary and Statistics," a publication of the Livestock Division, Consumer and Marketing Service (C&MS), USDA.

Carlot prices for Choice carcasses were not available for west coast markets before 1964 or for Chicago before 1960. To avoid abrupt changes in the level of the carcass value series, ERS gradually reduced less-than-carlot prices to the level of carlot prices.

Farm Value

It is estimated that an average 2.28 pounds of live Choice steer are required to sell 1 pound of Choice beef in retail foodstores. This estimate is based on yields of 62 pounds of carcass beef per 100 pounds of live Choice steer and 74.6 pounds of retail cuts from 100 pounds of carcass beef, and a retail shrink of 5 percent. Thus, it is estimated that 43.9 pounds of beef per 100 pounds of live steer are sold to consumers.

The farm-product equivalent was increased gradually from 2.12 pounds in 1951 to 2.28 pounds in 1962 because of increased trimming by retailers.

A farm price of Choice beef cattle is derived from (1) monthly average prices of Choice steers, all weights, at seven leading midwestern markets (Omaha, Sioux City, Kansas City, National Stock Yards, South St. Joseph, Sioux Falls, and South St. Paul); and (2) monthly averages of daily quotations to California feeders and ranchers for Choice steers in the 900- to 1,100-pound weight class. Prices at the seven markets are weighted by actual volumes sold to arrive at an average price for those markets. SRS and the Livestock Division, C&MS, collect price and volume data for the seven markets. Livestock Market News Service reporters provide California quotations by gathering information from buyers, feedlot operators, and ranchers and periodically checking sales records.

To convert market prices to a "farm-gate" basis, ERS deducts 60 cents from the average price per 100 pounds for the seven markets and 50 cents from the California quotations to cover costs of assembling and selling. From 1949 on, the same deductions have been made and were estimated from data furnished by market officials and others connected with livestock marketing.

A U.S. average price is calculated by weighting the seven-market price by 0.85 and the California quotation by 0.15. These weights are based on estimated marketings of fed cattle in 3 years--1955, 1961, and 1964--in 39 cattle-feeding States. The weight assigned the California price is the proportion of the total marketed in the three Pacific Coast States and Nevada; the weight assigned the seven-market price is the proportion marketed in the other 35 States.

Prices of heifers are not used here to calculate farm values, mainly because farm values calculated from both steer and heifer prices would not differ significantly in most months from farm values based on steer prices only. Prices of heifers are lower than prices of steers, but the live-weight equivalent of a pound of beef at retail is larger for heifers.

SRS prices received by farmers for steers and heifers are not used here to calculate farm values partly because they are for all grades and for feeder as well as slaughter cattle. Also, SRS prices are for the midmonth period. A farm value for the entire month is needed to compare with the monthly retail price.

Before 1959, prices were available for only six of the seven markets and before 1955, for only three. ERS used weighted prices for the smaller number of markets without adjustment in calculating U.S. averages. The California prices were not available before November 1965. ERS estimated proxy prices from prices at Stockton and El Centro markets for September 1956-October 1965, and from the Stockton market price alone for January 1952-August 1956. To maintain comparability, 22 cents was added to the Stockton price when it was used alone.

The series obtained by weighting midwestern market prices and California quotations was extended back from January 1952 to January 1949 by linking to it a price series ERS derived from prices paid by packers for all cattle slaughtered under Federal inspection. A Choice-grade premium, derived from prices at three midwestern markets, was added to the prices paid by packers; and a deduction was made to convert packers' prices to the level of those received by farmers.

Since July 1966, C&MS has published weekly estimates of the value of byproducts (hide and offal) obtained per 1,000-pound slaughter steer. These estimates and the carlot price at Chicago of Choice steer carcasses weighing 600-700 pounds apiece have been used to calculate wholesale value of the products obtained per 100 pounds of live steer. The percentage of this total contributed by the byproducts is the percentage of gross farm value attributed to them.

Before July 1966, ERS calculated value of byproducts from prices published in the "National Provisioner," a trade publication. Sausage casings accounted for approximately a fifth of the value of these byproducts. In recent years, however, many packers have rendered casings because of the high labor cost of cleaning them for sale. Thus, C&MS has not included the value of casings in its estimates of the value of byproducts.

The above change in byproduct utilization extended over several years. For this reason and also to avoid an abrupt change in the series, ERS gradually reduced byproduct values for the months from January 1958 to July 1966 to the level estimated by C&MS for July 1966.

Pork

Retail Price

Retail price of pork is the estimated average price per pound of fresh and cured pork products commonly sold in retail foodstores, excluding canned products. [30]

Retail food chains that report beef prices to ERS also report retail pork prices. ERS uses these and BLS pork prices to estimate monthly composite prices, following the same procedures used to estimate composite prices for beef. However, the difference between the regular price and the specials-included price is multiplied by 52 instead of 65 percent. As with Choice beef, this percentage is based on data collected in the five-city study.

The retail price series for pork was extended back from 1962 through 1949 by linking to it a series published with earlier market basket statistics. The earlier series was the estimated average retail price of center cut chops, smoked whole ham, sliced bacon, end chops, smoked picnics, spareribs, Boston butts, and jowl meat. BLS published retail prices only for the first three of these eight cuts. To arrive at the average price of these eight cuts, ERS calculated the total retail value of the first five cuts by weighting prices of the three BLS-priced cuts. Each of these three cuts was assigned its yield weight per 100 pounds of live hog, plus an additional weight to include the value of end chops and smoked picnics. This additional weight came from a regression equation that used prices of the first five cuts in a group of New York City retail foodstores. The dependent variable was the total retail value of end chops and smoked picnics per 100 pounds of live hog; and the independent variables were the prices of center cut chops, smoked whole ham, and sliced bacon--the BLS-priced cuts. The regression coefficients were added to the yield weights of the BLS-priced cuts. The value of the remaining three cuts--spareribs, Boston butts, and jowl meat--was added to the total value of the first five cuts. The addition was made by multiplying the value of the first five cuts by the ratio of the total wholesale value of all eight cuts per 100 pounds of live hog to the total wholesale value of the first five cuts. Thus, it was assumed that the ratio of the value of the eight cuts to the value of the first five cuts was the same at the retail level as at the wholesale level. Total retail value of the eight cuts was divided by their total retail weight obtained from 100 pounds of live hog to arrive at the retail price per pound. [31]

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[30] Prices used are for loin cuts; ham (whole, center slices, and butt and shank ends); picnics (smoked); butts; spareribs, bacon squares; sausage; neckbones; forefeet, and pigtails.

In April 1960, BLS began publication of prices for pork roast. To derive weights for the four BLS-priced cuts thus available, ERS distributed the total weight of the three cuts among the four cuts in such a way that the total value of the first five cuts in April 1960 calculated from the four BLS-priced cuts equaled the total value calculated with the three BLS-priced cuts.

Wholesale Value

The wholesale value of the quantity of pork equivalent to a pound sold to consumers is estimated by multiplying the average wholesale price of pork by 1.07 pounds--the wholesale product equivalent.

It is estimated that on the average, 100 pounds of live hog will yield 54.3 pounds of fresh and cured retail pork products. Cutting and trimming loins and hams result in the loss of 0.7 pound of this weight. A further loss of 2.9 pounds is sustained from retail shrink, similar to that occurring between cutting of beef carcasses and sales to consumers. Thus, 50.7 pounds of pork cuts and sausage are sold to consumers from 54.3 pounds bought by retailers. The wholesale product equivalent--1.07 pounds--is the quotient of 54.3 and 50.7 pounds.

An average wholesale price for pork is calculated by weighting the wholesale price of each product by the yield of the product per 100 pounds of live hog. The products that are weighted are the same as those used to calculate retail price. Chicago carlot prices, compiled from the "National Provisioner" and its "Yellow Sheet," are used. A transportation differential of 88 cents per 100 pounds is added to the average wholesale price to arrive at an estimate of the U.S. average wholesale price. This differential was estimated from transportation rates and regional per capita consumption and population data.

Farm Value

The average yield of pork per 100 pounds of live hog has increased gradually as a result of an increase in the proportion of meat-type hogs. It is estimated that the number of pounds of pork sold to consumers per 100 pounds of live hog averaged 50.7 pounds in 1969, compared with 46.9 pounds in the first half of 1949. Thus, the farm product equivalent gradually decreased from 2.13 pounds in January-June 1949 to 1.97 pounds in 1969.

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[31] See (1, p. 79) for a description of the method of estimating pork retail prices.

The average price of hogs from which gross farm value of pork is calculated is derived from the average price of barrows and gilts in seven public markets (eight before May 1970) published in "Livestock, Meat, Wool Market News, Weekly Summary and Statistics." Sales prices and volumes collected by the Livestock Division, C&MS, are used to calculate weighted average prices for the seven markets. All seven are in the North Central States, a region that ordinarily produces about four-fifths of the hogs marketed in the United States.

A marketing charge of 78 cents is subtracted from the seven-market average price to derive a price received by farmers. This charge includes 29 cents for transportation and 49 cents for yardage, commissions, and other marketing charges Data from which these charges were estimated were obtained from officials at the seven markets.

The yield of lard, the principal byproduct of pork, has decreased as the yield of pork has increased. In calculating byproduct value, wholesale price of lard was multiplied in 1969 by 9.7 pounds per 100 pounds of live hog and in the first half of 1949 by 13.7 pounds. Yields were gradually decreased for the intervening years. Other edible byproducts are heart, liver, tongue, kidney, brains, snout, ears, and cheek meat. Their total weight during 1949-69 was an estimated 3.3 pounds per 100 pounds of live hog. Carlot prices compiled from the "Yellow Sheet" are used to calculate the value of these byproducts and lard.

The allowance for the value of inedible byproducts per pound of pork is calculated by multiplying gross farm value by 1.5 percent. This percentage is based on information obtained from livestock specialists at various times. The allowance for inedible byproducts is added to that for edible byproducts.

Lamb

Retail Price

Of lamb cuts, BLS presently publishes a price only for lamb chops. The composite price of all lamb carcass cuts is estimated from this price and from prices of all lamb cuts reported by the 26 retail food chains that also report retail prices for beef and pork. ERS calculates a composite price of all lamb cuts from the food chain prices by weighting the price of each cut by its yield per 100 pounds of lamb carcass. The ratio of the average price of all lamb cuts per pound to the price of lamb chops is then calculated from these data. The BLS price of lamb chops is multiplied by this ratio to estimate the average price of all lamb retail cuts.

Before December 1963, BLS priced leg of lamb instead of lamb chops. Also, before 1962, the ratio of the average price of all lamb cuts to the leg of lamb price was computed from retail price data collected in New York City by the Federal-State Livestock Market News Service. These changes in the source of data from which the ratio was calculated and in the cut priced by BLS did not significantly affect the level of the estimated average price of all lamb cuts.

Carcass Value

Carcass value of lamb is calculated by multiplying the wholesale price of the lamb carcass by 1.18 pounds--the carcass equivalent.

Data received from the retail chains have shown an average yield of 88 pounds of retail cuts per 100 pounds of carcass. Retail shrink is estimated at 4 percent. Thus, 84.5 pounds of retail cuts per 100 pounds of lamb carcass are sold to consumers. The carcass equivalent is the quotient of 100 pounds divided by 84.5 pounds.

Wholesale price of lamb is calculated by weighting less-than-carlot prices at five markets: New York, Chicago, Los Angeles, San Francisco, and Seattle-Tacoma-Portland. 32/ One-third of the weight is divided equally among the three west coast markets and two-thirds is divided equally between New York and Chicago. Prices for the first four markets are published in "Livestock, Meat, Wool Market News, Weekly Summary and Statistics." Prices for the Seattle-Tacoma-Portland area are obtained from the Livestock Division, C&MS.

Farm Value

It is estimated that the weight of live lamb equivalent to 1 pound of lamb sold to consumers generally varies seasonally from 2.42 pounds in May to 2.48 pounds in October. This slight variation results mainly from changes in the weight of wool on lamb pelts. Farm product equivalents were calculated from carcass yields varying from 48.9 pounds per 100 pounds of live lamb in May to 47.8 pounds in October and sales to consumers of 84.5 pounds of lamb per 100 pounds of carcass.

Carcass yields were estimated from data for sheep and lambs slaughtered under Federal inspection during 1952-62.

Prices received by farmers for lambs, published by SRS, are used in calculating farm value.

The pelt accounts for more than half the total byproduct value obtained in slaughtering lambs. Values of No. 1 shearling pelts per 100 pounds of live lamb, published in "National Provisioner" are now used for the value of the pelt. Before 1967, values of midwestern spring lamb pelts were used. For some months in this earlier period, values were not published for these pelts and had to be estimated using values of shearling pelts. The change did not have a major effect on the byproduct adjustment. During 1967, when values of the No. 1 shearling pelts were first used, byproduct adjustments were averages of those obtained using the two different pelt prices.

32/ Less-than-carlot prices are no longer available for Chicago. To derive them, ERS multiplies Chicago carlot prices by the ratio of less-than-carlot prices to those carlot prices effective during the period immediately preceding discontinuance of less-than-carlot prices.

Value of other byproducts is estimated by multiplying the weighted average live weight price per 100 pounds of live lamb sold at 13 markets by 4.5 percent. Quantity and price data are not currently available for these byproducts. The values used in this report were obtained from a group of packers in 1937-41. Comparison with Chicago lamb prices during the same period showed that the value of these byproducts averaged 4.5 percent of the live lamb price. According to data published in "Armour's Analysis," April-August 1958, these byproducts made up 4.2 percent of the live lamb price in July 1958.

Veal

Average retail price and farm value of veal cuts are used in calculating retail cost and farm value of the meat products in the market basket.

Retail Price

BLS publishes prices for only one veal cut--U.S. Choice veal cutlets. The ratio of the average price of all veal cuts to the price of veal cutlets was calculated from monthly data reported to ERS by the 26 retail food chains until 1970. Since 1970, a constant ratio has been used, which is an average of monthly ratios for 1967-69. The BLS price is multiplied by this ratio to estimate the price of all veal cuts.

Farm Value

The estimate of the farm product equivalent in this report was based on a carcass yield of 56 percent, a yield of retail cuts from the carcass of 83 percent, and a retail shrink of 4 percent. Thus, 44.6 pounds of veal per 100 pounds of live calf are sold to consumers; and the farm product equivalent is 2.24 pounds.

Farm value is calculated from the average price received by farmers for calves, which is published each month by SRS.

The byproduct allowance is calculated by multiplying gross farm value of veal by the byproduct allowance percentage calculated for beef.

Group Totals

Retail prices and farm values of Choice beef and pork retail cuts and sausage are not used directly in calculating retail cost and farm value of the meat products group. Instead, retail prices and farm values for "all beef" and "all pork" are multiplied by the quantity weights to arrive at group totals. Expenditure data from which quantity weights were calculated are for both fresh and processed products (table 23). Processed products are derived mainly from grades of cattle and hogs lower than Choice steers and barrows and gilts. Retail prices and farm values for all beef and all pork are used to calculate group totals because a more accurate estimate of farm value of the meat products group is thought to be obtained.

All Beef

Retail price of all beef is calculated by weighting retail prices of round, sirloin, and porterhouse steaks; rump, rib, and chuck roasts; hamburger; and liver. Specials-included monthly prices derived from BLS prices and retail food chain prices are used. Quantity weights were derived from BLS 1960-61 household expenditure data. Average retail price is lower for all beef than for Choice beef mainly because more weight is assigned to hamburger in calculating the former price.

Farm value of all beef is derived by subtracting the farm-retail spread for Choice beef from the retail price of all beef. The spread for all beef--including processed products as well as fresh beef--is believed to be at least as wide as that for Choice beef.

All Pork

The retail price of all pork is arrived at by multiplying the average retail price of pork cuts and sausage (the products listed in footnote 48) by a ratio calculated from wholesale prices and weights of wholesale cuts per 100 pounds of live hog. This is the ratio of the average wholesale price of all edible pork products except lard to the average wholesale price of retail pork cuts and sausage. The additional pork products (snouts, ears, hearts, livers, and so on) covered by the average price of all edible pork products are not sold extensively in fresh form in retail stores; instead, they are used mainly in processed products. The average retail price of all pork is lower than the average retail price of pork cuts and sausage. Both prices, however, vary closely together.

Farm value of all pork is derived by subtracting farm-retail spread of retail pork cuts and sausage from the retail price of all pork.

Reliability of Estimates

If retail cost of the meat products group were calculated with retail prices for Choice beef and retail pork cuts and sausage, it would differ little from published retail cost, which was calculated from retail prices of all beef and all pork. Little difference occurs because of the high degree of similarity in the direction and extent of movements in the two beef price series and in the two pork price series. During some periods in the past, when marketings of lower grade cattle accounted for a much larger than usual proportion of total cattle marketings, retail prices of hamburger decreased relative to other beef retail prices. These decreases caused average retail price of all beef to decline relative to that of Choice beef. However, these occurrences had little effect on longer term movements in the all beef price series. If prices of processed meats were used in calculating retail cost of all beef, that series would be slightly more stable at times when prices of fresh meat are changing precipitously. But the longer term trend would not be significantly different from that of the published series.

Farm values for all beef and all pork have been considerably lower, howeve than those for Choice beef and pork retail cuts. Farm values for all beef generally have been close to farm values calculated from SRS estimates of prices received by farmers for all beef cattle. Farm values for all pork generally have been close to those calculated from SRS prices of hogs.

DAIRY PRODUCTS

Butter

BLS publishes retail prices for a pound of 92-score, salted creamery butter.

In this report, farm value is for butter made from creamery-separated cream. In the past, farm value was a weighted average of farm values of butter made from farm-separated and creamery-separated cream. Butter made from farm-separated cream had a lower farm value. The proportion of butter made from farm-separated cream has been declining for many years and is now estimated at less than 10 percent. A considerably smaller percentage of butter of the grade priced by BLS may be made from farm-separated cream.

It is estimated that the quantity of fat bought from the farmer averages 0.825 pound per pound of butter. Federal and State regulations provide that butter shall have a minimum fat content of 80 percent. It is estimated that the fat content averages 80.3 percent, as creameries allow a margin for error. Fat is lost in receiving and separating the milk and in churning and packaging the butter.

The return to the farmer from milk containing a pound of fat is calculated by dividing the price per 100 pounds of milk by the average number of pounds of fat in the milk. This return is multiplied by 0.825 to obtain gross farm value of a pound of butter. The U.S. average price and the average fat test of milk are published in "Milk Prices Paid by Creameries and Cheese Plants," a monthly SRS release. Published prices are averages of prices, f.o.b. plant or receiving station, except in California where milk generally is priced at the ranch.

The byproduct allowance is the part of gross farm value attributed to the value of the byproducts--nonfat dry milk and dry buttermilk. Average fat content of milk used to make butter varies seasonally and has declined in recent years. Approximate yields of byproducts made from the quantity of milk equivalent to a pound of butter vary according to the fat content of the milk:

Percentage of fat in milk	Yield of nonfat dry milk and dry buttermilk
	Pounds
3.39-3.59	2.0
3.60-3.83	1.9
3.84-4.10	1.8
4.11-4.41	1.7

In calculating the byproduct allowance, ERS derives values of fat and nonfat milk solids by subtracting processing and packaging costs from prices of butter and nonfat dry milk. For recent years, the value of fat has been derived from the monthly average price per pound received by creameries, f.o.b. shipping point, for grade A butter (grade AA beginning in November 1969) in Iowa, Minnesota, and Wisconsin. These prices are published by C&MS. For 1947-58, wholesale prices of 92-score butter in Chicago were used to derive the value of fat. The Chicago wholesale price has been slightly higher than the Iowa-Minnesota-Wisconsin price. An allowance for shipping costs in addition to that for processing and packaging costs was deducted from the Chicago price.

The value of nonfat milk solids is derived from the manufacturers' average selling price per pound of nonfat dry milk, f.o.b. plant, published in "Evaporated, Condensed and Dry Milk," a monthly SRS release. The quantity of dry buttermilk yielded as a byproduct is so small that it is not treated separately. Prices of dry buttermilk averaged slightly lower than those of nonfat dry milk.

The derived value of nonfat milk solids is multiplied by the quantity of nonfat dry milk and dry buttermilk manufactured from the amount of milk equivalent to a pound of butter. (See text tabulation above.) The product obtained is added to the value of fat derived from the price of a pound of butter. The percentage of total value of fat and nonfat solids accounted for by nonfat solids is then calculated. Gross farm value of butter is multiplied by this percentage to obtain the byproduct allowance.

Net farm value of butter is calculated by subtracting the byproduct allowance from gross farm value. Net farm value is much affected by the way in which the price of milk is allocated between fat and nonfat solids. Other procedures could be used to make the allocation.

American Process Cheese

The retail price is for half a pound of American process cheese. This product is manufactured by melting two or more natural American cheeses and adding an emulsifier.

On the average, milk containing an estimated 0.178 pound of fat is bought from the farmer for each half pound of American process cheese sold to the consumer. The quantity of milk containing 0.178 pound of fat varies inversely with the fat content of the milk; however, this quantity is large enough to supply the required nonfat solids in the finished product even when the fat content is at its seasonal peak. 33/ This equivalent allows for losses in handling the milk and in making, curing, trimming, and processing the natural cheese.

33/ To reduce and simplify the task of computing farm value, ERS divides the price of milk per 100 pounds by the fat content and multiplies the quotient by a constant farm product equivalent. Slightly more accurate estimates of farm value could be obtained by using a formula that also accounts for variations in the yield of cheese resulting from variations in the nonfat solids content of the milk. Errors in monthly farm values resulting from use of a constant farm product equivalent probably are not significant and tend to be offsetting in affecting annual averages.

The fat equivalent, 0.178 pound, is for milk having a fat content of 3.77 percent, the 1965-67 average for milk used in making American cheese. In calculating farm values for the years before 1965, an equivalent of 0.18 was used, which was for milk containing 3.9 percent fat, the 1947-56 average. An equivalent of 0.179 was used in 1965. The change in the fat equivalent did not affect farm values rounded to 0.1 cent.

Gross farm value of American process cheese is calculated by multiplying the price of the quantity of milk containing a pound of fat by the farm produc equivalent. The price is for milk used in making natural American cheese, published monthly by SRS in "Milk Prices Paid by Creameries and Cheese Plants.'

The weight of the fat separated from the whey averages 0.012 pound. The byproduct allowance is calculated by multiplying the weight of this byproduct by the U.S. average price received by farmers for fat in farm-separated cream. This price is estimated and published each month by SRS in "Agricultural Prices

Net farm value is obtained by subtracting byproduct value from gross farm value.

Evaporated Milk

BLS publishes retail prices for unsweetened evaporated milk weighing 14½-avoirdupois ounces per can.

Gross farm value is calculated by multiplying the price of milk per pound of fat by the farm product equivalent, 0.0759 pound from 1965 on, provided the fat content of the milk bought from farmers exceeds 3.76 percent. Cream containing 0.0028 pound of fat is removed from the milk as a byproduct. When the fat content of the milk is 3.76 percent or less, the farm product equivalent is 0.0732 pound, and there is no byproduct deduction from gross farm value. In recent years, the fat content of milk used for evaporating has averaged 3.76 percent or less in the spring and early summer.

These farm product equivalents are for evaporated milk containing 7.91 percent fat and 18.02 percent nonfat milk solids. An allowance of 2 percent has been made for waste of milk solids. Standards for evaporated milk established by the Federal Government and many of the States specify at least 7.9 percent milk fat and 25.9 percent total milk solids. Producers exceed minimum standards slightly to allow for error.

To provide adequate nonfat solids, producers increase the quantity of milk to be evaporated per 14½-ounce can as the fat content of the milk increases. However, the quantity of fat that can be removed as a byproduct also increases. Thus, the same farm product equivalent and byproduct adjustment can be used for all milk having a fat content greater than 3.76 percent without producing significant errors in farm value. When the fat content of milk is 3.76 percent or less, skim milk is removed as a byproduct. But the value of nonfat solids in this byproduct is so small that no deduction is made from gross farm value.

The ratio of nonfat solids to fat in evaporated milk is 2.278 (18.02 percent nonfat ÷ 7.91 percent fat). In nonevaporated milk that has a fat content of 3.765 percent, the ratio of nonfat solids to fat is also approximately 2.278. This ratio decreases as the fat content of the milk increases. Thus, when the fat content exceeds 3.765 percent, the yield of evaporated milk is limited by the nonfat solids content. The ratio in evaporated milk is maintained by removing fat from the milk to be evaporated. It could also be maintained by adding nonfat solids.

The farm product equivalent and byproduct adjustment used when the fat content of milk exceeds 3.765 percent are for milk containing 3.94 percent fat--the 1963-67 average for milk used for evaporating.

It is estimated that 100 pounds of milk with a fat content of 3.94 pounds contains 8.65 pounds of nonfat solids. This amount of milk will yield 51.91 14½-ounce cans of evaporated milk, each containing 0.1633 pound of nonfat solids, provided the loss of nonfat solids is 2 percent [(8.65 lb. x 0.98) ÷ 0.1633 lb.= 51.91 cans]. The fat equivalent per can, 0.0759 pound, is derived by dividing 3.94 pounds by 51.91 cans. The byproduct of 0.0028 pound of fat is the difference between the fat equivalent minus a loss allowance of 0.0014 pound and the fat content per can, 0.0717 pound.

When milk to be evaporated has a fat content of 3.765 or less, the yield is limited by this content. The fat equivalent, 0.0732 pound, is derived from the fat content per can by making an allowance of 2 percent for waste of fat (0.0717 lb. ÷ 0.98 = 0.07316).

Before 1965, the same farm product equivalent and byproduct adjustment were used in all months of the year, because the fat content of milk used for evaporating averaged more than 3.76 percent each month.

For 1957-64, a farm product equivalent of 0.0765 pound and a byproduct adjustment of 0.0035 pound were used. Both were for milk having a fat content of 3.97 percent, the 1959-64 average. For 1947-56, a farm product equivalent of 0.0774 pound and a byproduct adjustment of 0.0038 were used. These were for milk with 4.04 percent fat, the 1948-52 average.

SRS publishes each month in the "Evaporated, Condensed and Dry Milk Report" the U.S. average price, f.o.b. plant, and the average milk fat content of milk bought mainly for evaporating. These data are used in calculating gross farm value. Fat in the cream that is removed as a byproduct is valued at prices farmers receive for fat in farm-separated cream; these prices are published each month by SRS.

Ice Cream

The BLS specification for ice cream is for vanilla or chocolate flavors prepackaged in ½-gallon containers. Retail prices first became available in December 1950.

Farm Product Equivalent

Fat and nonfat contents of ice cream vary considerably. Standards of the Federal Government and most of the States for vanilla ice cream specify a minimum weight of 4.5 pounds per gallon, including minimums of 1.6 pounds of food solids, 10 percent milk fat, and 20 percent total milk solids. Smaller percentages of fat and total milk solids are specified for chocolate ice cream. According to data published by SRS, fat content of all ice cream manufactured in commercial plants averaged 11.6 percent during most of the 1950's. Since 1958, it has declined, averaging 10.7 percent in 1967. During 1958-67, several States reduced the specified minimum fat content.

Farm product equivalents used in calculating farm value of half a gallon of ice cream have been gradually changed to allow for a gradual decrease in the fat content from 11.6 percent in 1951-57 to 10.8 percent in 1966 and later years and an increase in nonfat milk solids from 10.4 percent in 1951-57 to 10.6 percent in 1966 and later years. A sugar content of 15.0 percent has been used for all years. Ice cream mix containing these percentages of milk solids and sugar and 0.3 percent stabilizer weighs 9.1 pounds per gallon. Air is incorporated into the mix during the freezing operation, causing the volume of ice cream to exceed that of mix. This increase in volume (the overrun) varies widely. An overrun of 86 percent was used to calculate the weight of a gallon of ice cream--4.9 pounds--frozen from a mix weighing 9.1 pounds. This percentage was the average overrun reported by a group of freezers in the early 1960's for ice cream prepackaged in pint and ½-gallon containers.

ERS calculates quantities of farm products equivalent to half a gallon of ice cream by multiplying the estimated weight of the ice cream--2.45 pounds--by the estimated percentages of milk fat, nonfat milk solids, and sugar in the ice cream. An allowance of 2 percent of the milk solids was made for loss in receiving and separating milk, preparing the mix, and freezing and packaging the ice cream. The equivalents for half a gallon of ice cream for 1951-57 and 1966 and later years were:

Year	Milk fat	Nonfat milk solids	Sugar
	Pound		
1951-57	0.2900	0.2600	0.3675
1966 onward	.2700	.2650	.3675

The gradual reduction in milk fat content during 1957-66 did not significantly affect farm value from one year to another. However, over the period, the change affected farm value significantly.

Farm Value

Farm value of ice cream is calculated from the price and fat test of manufacturing-grade milk, f.o.b. plant, published each month by SRS in "Agricultural Prices." Prices of milk used specifically in making ice cream are not published. The U.S. average price farmers received for milk used in ice cream was estimated for several years from (1) prices of milk used in ice cream in Federal order markets and (2) prices for manufacturing-grade milk outside those markets. These estimates indicate that the U.S. average price of milk used to make ice cream has approximated that of manufacturing-grade milk.

The price farmers receive for milk used in ice cream is allocated between fat and nonfat solids. The portion allocated to nonfat solids is the percentage used to calculate the byproduct allowance for butter (p. 82). The remainder is allocated to fat. The part of the price allocated to fat is divided by the number of pounds of fat in 100 pounds of the milk to obtain the return per pound of fat. The part of the price attributed to nonfat solids is divided by the number of pounds of nonfat solids in 100 pounds of the milk to obtain the return per pound of nonfat solids.

To calculate farm value, the return from 1 pound of fat is multiplied by the fraction of a pound of milk fat equivalent to half a gallon of ice cream. (See text tabulation above.) Farm value of nonfat milk solids is similarly calculated. Farm value of a pound of sugar is multiplied by 0.3675 pound, the quantity of sugar per half a gallon of ice cream. 34/ Farm values of the three ingredients are added to obtain the farm value of ice cream.

Fresh Milk

Retail Price

BLS first published prices for milk in ½-gallon containers in December 1963. Quart prices for preceding months were adjusted to the level of ½-gallon prices in December 1963. Half-gallon prices generally are less than two times the quart prices; thus, an adjustment on a volume basis could not be made. Ratios of ½-gallon to quart prices were calculated for milk sold in stores and for milk delivered to homes in a group of cities for which data are published in SRS's monthly "Fluid Milk and Cream Report." These ratios were used to convert monthly quart prices to ½-gallon prices back through 1947. The derived ½-gallon prices were then adjusted for the change in the city sample in December 1963 in the same manner that prices for other foods were adjusted.

Farm Value

Half a gallon of fresh milk has a net weight of approximately 4.3 pounds. An allowance of 2 percent in weight is made for milk lost in assembling, processing, and packaging. Thus, the farm product equivalent is 4.39 pounds.

34/ For a description of data and procedures used in calculating farm value of sugar, see p. 102.

ERS calculates farm value of fresh milk from prices of Class I milk (milk to be sold fresh to consumers) taken from the "Fluid Milk and Cream Report," and from reports issued by administrators of Federal order milk markets and by State milk marketing agencies. The objective is to estimate the average price received by farmers for Class I milk delivered to the 56 sample cities in which BLS collects retail prices of fresh milk. Prices are not available for Anchorage and Honolulu. Since these two cities account for less than 0.3 percent of the total weight of all cities in the BLS sample, the absence of their milk prices--though these are high--has little effect on the U.S. average. BLS city weights used to derive U.S. average retail prices from prices in sample cities are used in calculating the average price of Class I milk deliver to these cities.

Estimated charges of hauling milk from farms to city plants are deducted from delivered prices. Estimates are based on data obtained from reports of Federal order milk markets, State agencies, and other sources. In recent years deducted charges, which vary from city to city, have averaged 1.5 cents for 4.39 pounds of milk, the equivalent of half a gallon sold at retail. The farme generally pays these charges.

Until February 1968, the delivered price per 100 pounds of milk in each city was adjusted to the level appropriate for the fat content of milk sold to consumers in the city. In February 1968, SRS discontinued publishing data on the typical fat content, which at that time averaged 3.56 percent in the sample cities. In July 1968, to continue data on typical fat content, ERS began calculating farm value from prices of milk with 3.5 percent fat content. This change did not significantly affect farm value of half a gallon of milk. With this lower fat content, farm value in January 1968 would have been 25.9 cents per half-gallon instead of the 26.1 cents obtained by using the data on average fat content. Farm values were adjusted so that the change reduced farm value 0.1 cent in the first quarter of 1968 and 0.2 cent in the second.

Several times BLS has changed the sample of cities used to estimate farm value of fresh milk. Before December 1952, the sample consisted of 56 large cities. From December 1952 to December 1963, the sample contained 46 cities. From December 1963 to December 1966, 50 cities were sampled and from December 1966 on, 56 cities have been sampled.

ERS calculated farm values for months before December 1952 from prices of milk delivered to the 46 cities instead of the 56; differences between the two samples were not considered significant. The average retail price series for the 56 cities in the earliest sample used here was adjusted to that for the 46 cities, using constant ratios.

In January 1964, after deduction of hauling costs, returns to farmers per 100 pounds of Class I milk averaged 8 cents lower for the 46-city sample than for the 50-city sample. ERS gradually raised retail prices of fluid milk to the level of prices for the 50-city sample. Similarly, ERS increased the average price of milk delivered to the 46 cities during 1956-63 to the average price level of milk delivered to the 50 cities during December 1963-December 1965.

The addition of six cities to the BLS sample in December 1966 did not affect the average farm value.

Skim Milk

Retail Price

Since December 1968, BLS has published an average retail price per quart for skim milk in 20 cities and per half-gallon in 25 cities. From December 1963 through 1968, BLS collected quart prices in all 45 cities.

Farm Value

Separate farm values are calculated for skim milk per quart in the 20 cities and per half-gallon in the 25 cities from prices of Class I whole milk having a fat content of 3.5 percent. These prices are from the sources that supply Class I prices used in calculating farm value of fresh milk.

To calculate farm value of skim milk, ERS divides the price per 100 pounds of milk with 3.5 percent fat content between fat and nonfat components. The average "fat differential" in each group of cities is used to make this allocation. This differential is the difference in the price per 100 pounds caused by a variation of 0.1 pound, either plus or minus, from a fat content of 3.5 pounds. The fat differential is multiplied by 35 to calculate the value of the fat component, and this value is subtracted from the price per 100 pounds of whole milk to arrive at the value of the nonfat component. It is estimated that 100 pounds of milk having 3.5 pounds of fat also contains 8.47 pounds of nonfat solids.

BLS collects prices for skim milk (fat content of not more than 0.2 percent) that may be fortified with additional nonfat milk solids. The farm product equivalent is for skim milk having 0.2 percent fat and 10 percent nonfat solids and weighing 2.168 pounds per quart. A loss of 2 percent is assumed; thus, skim milk weighing 2.212 pounds is required to sell 1 quart. The fat content of this 2.212 pounds is 0.0044 pound and the nonfat content is 0.2212 pound.

To compute farm value of a quart of skim milk, ERS multiplies the value of the fat component of 100 pounds of milk with 3.5 percent fat content by 0.13 percent--the share of the 3.5 pounds of fat in the whole milk accounted for by the fat equivalent (0.0044 pound). ERS multiplies the value of the nonfat component by 2.61 percent--the percentage of the 8.47 pounds of nonfat solids accounted for by the nonfat solids equivalent. The results are summed to get farm value.

POULTRY

Frying Chickens

BLS began collecting retail prices of ready-to-cook frying chickens in all its sample cities in January 1959. Before then, it collected prices of these chickens in an increasing number of its sample cities (34 in 1953 and 44 in 1957) and prices of New York-dressed frying chickens in a decreasing number of sample cities (12 in 1953 and two in 1957). To derive comparable U.S. average prices for months before January 1959, ERS projected back through 1950 the U.S. average price for January 1959, using the BLS index of retail prices of frying chickens. Before April 1949, BLS collected prices of roasting chickens, which were used in calculating market basket retail cost.

Farm values of frying chickens are derived from U.S. average prices received by farmers for commercial broilers, which SRS publishes monthly in "Agricultural Prices." Prices per pound are multiplied by 1.41 pounds, the farm product equivalent. This equivalent allows for a 2-percent loss of ready-to-cook chicken during marketing. The farm product equivalent was increased from 1.40 pounds in earlier years to 1.41 pounds in 1960 to account for the increase in the proportion of dressed chickens rejected as defective when Federal inspection was introduced in 1960.

Since August 1962, SRS poultry prices have been averages for the entire month. BLS prices, on the other hand, are for 3 days in the early part of the month. Consequently, SRS prices could be affected by changes in market conditions that would not affect BLS prices. Beginning in January 1965, ERS estimated a U.S. average price received by farmers for broilers for the week when BLS collects prices. These estimates are derived from SRS prices and C&MS weekly average prices of ready-to-cook broilers delivered to nine leading cities. The ratio of the nine-city price for the BLS week to the monthly average of the weekly nine-city prices is computed. The SRS price for broilers is multiplied by this ratio to derive a price received by farmers for broilers during the BLS week.

Turkeys

Farm-retail spreads for turkeys begin with 1964 in this report because BLS did not start publishing U.S. average retail prices of ready-to-cook, heavy-type medium-sized turkeys until December 1963.

ERS calculates farm value from the SRS price received by farmers for turkeys, although this price is an estimate for all sizes, grades, and types of turkeys. The SRS price is multiplied by 1.28 pounds--the farm product equivalent. This equivalent allows for a 2-percent loss of ready-to-cook turkey durin marketing.

EGGS

BLS has published U.S. average prices per dozen Grade A large eggs since January 1953.

Farm value is calculated from averages of prices received by producers for Grade A large eggs. Prices are compiled from market news releases by the Poultry Division, C&MS, and several State departments of agriculture. The resulting average price is multiplied by 1.03 dozen, the farm product equivalent Average loss during the marketing process is estimated at 3 percent.

Market news reports of producer prices for Grade A large eggs are available for 21 egg-producing areas located throughout the United States. Each price is weighted by production in the State or region represented by the price. Prices compiled are for the Wednesday of the week in which BLS collects prices, except for three areas; in these, prices are for the latter part of the preceding week.

Farm values for 1958-62 were calculated from market news prices for Grade A large eggs received by producers in areas supplying eggs to 10 major U.S. cities. These prices were for the latter part of the week preceding the BLS week. During 1963, prices received by these producers averaged the same for the whole year as prices received in the 21 egg-producing areas and did not differ significantly in most months. Market news prices in egg-producing areas supplying nine of the 10 cities were available for 1957; and the averages of these prices were linked to the 1958-62 series for the 10-city supply areas. Farm values for 1953-56 were calculated from SRS egg prices. In 1957, the annual averages of SRS prices and market news prices for egg-producing areas supplying the nine major cities were the same; however, these prices differed significantly in some months.

SRS prices are not suitable for calculating farm values of Grade A large eggs, since they are estimates of the average price received for all sizes and grades of eggs sold by farmers, including hatching eggs and eggs sold by farmers directly to consumers.

Market news prices are for eggs sold by producers on a grade-out basis, cases exchanged. Prices in most markets are at the farm; a few are at the farm or local buying stations; and a few are for eggs delivered to buyers' plants. A range of prices is reported for some markets, and ERS uses the midpoint as a price. Usually ranges are narrow. Prices or narrow ranges of prices at which most transactions occurred are reported for the other markets. Market news reporters get prices from buyers and sellers and estimate the price or range of prices at which most transactions are made. Time does not permit reporters to obtain information on exact volumes sold at various prices.

BAKERY AND CEREAL PRODUCTS

White Flour

BLS publishes retail prices for a 5-pound bag of general-purpose white flour. The farm product equivalent is 0.114 bushel (6.8 pounds) of wheat, since 2.28 bushels of wheat yield 100 pounds of white flour. The farm product equivalent has decreased slightly because the yield of flour per bushel generally has increased. Thus, the farm product equivalent was 0.115 bushel (6.9 pounds) for July 1957-December 1963, and 0.1165 bushel (7.0 pounds) for months before July 1957.

SRS publishes the average price per bushel received by farmers for all wheat each month in "Agricultural Prices." Since July 1964, the cost of the wheat marketing certificate to millers has been added to the price of wheat, since it is part of the cost of wheat. During July 1964-June 1965, this certificate cost 70 cents per bushel. On July 1, 1965, the cost increased to 75 cents.

Part of gross farm value is attributed to millfeeds, which are joint products with flour from milling wheat. The percentage attributed to millfeeds is calculated from the value of flour and millfeeds yielded by 2.28 bushels of wheat.

The yield of millfeeds per bushel of wheat has varied inversely with the yield of flour. The yield of millfeeds per 100 pounds of flour from 1947 onward was:

	Pounds
January 1964 onward	37.0
July 1957-December 1963	37.9
January 1947-June 1957	39.8

Benchmark prices for 100 pounds of flour and a ton of millfeeds are calculated from the value and quantity of shipments by flour mills reported in the Census of Manufacturers. ERS interpolates these prices between census years by using prices of flour BLS reports each month in "Wholesale Prices and Price Indexes" and prices of millfeeds C&MS reports weekly in "Feed Market News." Benchmark prices calculated from data in the latest Census of Manufacturers also are projected with these prices. When data from a later census become available projected prices are revised back to the preceding census year.

BLS prices used to interpolate and project benchmark prices of flour are for (1) standard patent, spring wheat flour at Buffalo; (2) 95-percent patent, winter wheat flour at Kansas City; and (3) standard patent, spring wheat flour at Minneapolis. All prices are for bulk flour sold by millers to distributors, bakers, or chainstore bakeries. Weights used to combine these three prices are derived from 3-year averages of flour production in each milling center, reported in "Flour Milling Products," one of the "Current Industrial Reports" published by the Bureau of the Census. Bulk prices to distributors, bakers, and chainstore bakeries were not reported before January 1960. Comparable series of prices extending back to 1947 were derived by linking previously reported prices to the current series.

C&MS reports prices of bran and standard middlings at the same milling centers for which BLS reports prices of flour. In deriving weighted average prices for millfeeds, ERS assigns half the weight assigned to the flour price at each milling center to the price of bran and half to the price of middlings. Until 1960, prices of these millfeeds were taken from "Northwestern Miller," a trade publication. Until August 1968, prices for gray shorts instead of standard middlings were reported for Kansas City.

White Bread

The quantities of farm-derived ingredients in a 1-pound loaf of white bread are shown in table 24. Slightly different quantities were used before 1964. The farm equivalent of 0.6329 pound of white flour--the principal ingredient--is 0.01445 bushel (0.867 lb.) of hard wheat. Gross farm value of the flour is calculated from the weighted average price received by farmers for hard winter and spring wheat in the 10 States leading in hard wheat production, Table 24.--Farm-derived ingredients of bakery products

Product and retail unit	Flour	Sugar	Nonfat dry milk	Lard	Vegetable shortening	Dried eggs
	Pound					
Bread, white, 1 pound	1/0.6329	0.0582	0.0158	0.0165	0.0044	
Bread, whole wheat, 1 pound	2/.6061	.0231	.0242		.0182	
Cake, layer, 1 pound	.1905	.4571	.0198		.1224	0.0310
Cookies, sandwich, 1 pound	.3854	.3154	.0192		.2115	
Pretzels, 8 ounces	.5500				.0175	
Cracker meal, 9½ ounces	.5938				.0594	

1/ White flour from hard winter and spring wheat.
2/ Whole-wheat flour from hard winter and spring wheat.
Note: Blanks indicate product did not contain these ingredients.

plus the cost of the wheat marketing certificate. The same percentage is used to calculate the byproduct allowance of flour for bread that is used in calculating farm value of general-purpose flour.

Data and procedures used to derive farm value of nonfat dry milk, sugar, and vegetable shortening--ingredients in white bread and several other bakery products--are described in the sections of part II that discuss dairy products, fats and oils, and miscellaneous products. Farm value of lard is computed from data used to calculate byproduct allowances for pork.

Other Bakery Products

Data and procedures for calculating farm values of farm-derived ingredients of other bakery products in the market basket sample are described in part II, except for dried eggs used in layer cake. A pound of dried eggs is produced from 2.915-dozen shell eggs. Farm value is calculated from the average price received by farmers for eggs in the West North Central States during the first half of the year. During the first 4 months, the year-to-date average price and the average price for the first half of the preceding year are weighted to obtain the price for the month.

Corn Flakes

BLS publishes prices for a 12-ounce package of corn flakes. The farm product equivalent is 0.0512 bushel (2.87 pounds) of corn. This equivalent is based on a yield of 17 pounds of flaking grits from a bushel of corn and an 86.1-percent yield of corn flakes from the flaking grits (14, p. 26). Thus, a bushel of corn yields 14.637 pounds of corn flakes, or 19.516 12-ounce packages

Flaking grits generally are milled from No. 2 yellow corn. Probably the grade of corn sold by farmers averages about No. 3. Hence, ERS adds a differential to the price SRS publishes for corn to arrive at an estimate of the average price received by farmers for corn used to produce flaking grits. This differential is the difference between the Chicago prices of No. 2 and No. 3 yellow corn. These prices are from "Grain Market News, Weekly Summary and Statistics," published by C&MS.

In addition to 17 pounds of flaking grits, a bushel of corn yields these byproducts: 16 pounds of brewers' grits, 19 pounds of hominy feed, 2 pounds of cornmeal, and 0.6 pound of crude corn oil. All these products are valued at wholesale prices to compute the percentage that all of these products except flaking grits contribute to total value. Gross farm value is multiplied by this percentage to derive the byproduct allowance.

A price of flaking grits is not available. One is derived from a New York price of brewers' grits converted to a Chicago basis. A wholesale price for flaking grits is obtained by multiplying the price of brewers' grits by a ratio. This ratio is computed from prices calculated from values and quantities of shipments reported in the Census of Manufacturers. The imputed price of "corn grits and hominy for human consumption" is divided by that of "corn grits and hominy for brewers' use." When the ratio for the latest census year differs significantly from that for the preceding census year, ratios used for intervening years are gradually increased or reduced to the level of the ratio for the later census year.

The price for a 100-pound bag of brewers' grits at New York is compiled from the "New York Journal of Commerce" and converted to a Chicago basis by subtracting 68 cents. This conversion is made because prices for other products are prices for deliveries mainly at midwestern points.

C&MS publishes a price for hominy feed per ton, bulk, at Chicago in "Feed Market News, Weekly Summary and Statistics." BLS publishes wholesale prices of cornmeal per 100 pounds and crude corn oil per pound.

Rice

Since April 1959, BLS has published average prices of long-grain rice collected in a varying number of its sample cities and average prices of short- and medium-grain rice collected in other sample cities. The series of long-grain prices was extended back to January 1957 by linking to it BLS average prices for all rice published before April 1959. These derived prices were used to calculate market basket retail cost. However, data on farm-retail spreads for rice before 1960 are not published here.

Rice in the ERS market basket sample refers to the long-grain variety, since the only available SRS monthly prices of rice since January 1966 have been averages of prices received by farmers in five States producing long- and medium-grain rice. These prices are available from January 1957.

The farm product equivalent of 1 pound of table rice is 1.59 pounds of rough rice. This equivalent is based on data for crop years 1965-66 through 1967-68, published by C&MS in "Rice--Annual Market Summary."

The percentage of total value of rice-mill products accounted for by by-products of table rice is calculated from the value of shipments of rice-milling establishments reported in the Census of Manufactures. This percentage has been calculated for each year for which a census report is available.

FRESH FRUITS AND VEGETABLES

The fruit and vegetable group is composed of three major subgroups in the market basket sample--fresh fruits, fresh vegetables, and processed fruits and vegetables. In the description below, fresh fruits and vegetables are treated as a single group.

Retail Prices

BLS collects retail prices each month for most fresh fruits and vegetables that it prices. However, prices for grapes (Thompson Seedless), strawberries, and watermelons are collected only during the most active 3 or 4 months of their marketing seasons. ERS does not publish prices and spreads for these three items but does weight them into group totals. 35/

Farm Values

Farm product equivalents for fresh fruits and vegetables are estimated mainly from data in (25) (table 25). These estimates are rough because adequate data are not available for accurately estimating waste and shrinkage nationally. In addition, farm equivalents are not adjusted for changes in waste and shrinkage occurring from one season to another.

Improvements in marketing practices, such as better handling methods, faster transportation, and greater use of refrigeration, have reduced waste and spoilage in marketing fresh fruits and vegetables. Farm product equivalents for apples, oranges, lemons, grapefruit, cabbage, carrots, celery, and lettuce were gradually lowered during 1959-63 to account for the gradual reductions in waste and spoilage. Farm product equivalents from 1964 on have been held constant, as were those for 1947-58. Equivalents for 1947-58 were mainly based on data published in 1952.

35/ During the remainder of the year, ERS estimates prices of these items by trends in prices of other fruits in the group. Farm values are similarly estimated.

Table 25.--Fresh fruits and vegetables: Farm product equivalents per retail units and farm units, 1964 onward

Product	Retail unit	Farm product equivalent per retail unit	Farm unit	Farm product equivalent per farm unit
Fresh fruits:				
Apples	Pound	1.04	Pound	1.04
Grapefruit	Each	1.03	Box	.01199
Grapes, Thompson Seedless	Pound	1.10	Lug	.04231
Lemons	do.	1.04	Box	.01371
Oranges	Dozen	1.03	do.	.06035
Orange juice, chilled	Quart	2/		2/
Strawberries	Pint	1.09	Pound	.815
Watermelon	Pound	1.11	Cwt.	.01111
Fresh vegetables:				
Cabbage	Pound	1.08	do.	0.01075
Carrots	do.	1.03	do.	.01031
Celery	do.	1.08	do.	.01075
Cucumbers	do.	1.09	do.	.01087
Lettuce	Head	1.08	do.	.01882
Onions	Pound	1.06	do.	.01064
Peppers, green	do.	1.09	do.	.01087
Potatoes	10 pounds	1.04	do.	.10417
Spinach	10 ounces	1.14	do.	.00710
Tomatoes	Pound	1.18	do.	.01176

1/ Unit in which the price received by farmers is reported.
2/ Computed each month during season--usually November through June.

Prices received by farmers for most fresh fruits and vegetables included in the market basket are published monthly by SRS in "Agricultural Prices." F.o.b. shipping-point prices received for commercial vegetables and watermelons are reported both for the month and the first half of the month. The latter prices are used here because the BLS pricing period falls within the first half of the month. Prices at f.o.b. shipping point are for products that have been sorted, graded, packed, and perhaps loaded on a railroad car or truck. Often, growers do not perform these marketing operations; and the charges are deducted from the f.o.b. price.

ERS uses equivalent monthly returns per box, packinghouse door, to compute farm values for fresh oranges, lemons, and grapefruit. Apple prices are averages of monthly equivalent packinghouse door returns in Washington and Oregon, equivalent first-delivery-point returns in California, and prices-as-sold in other States. Farm values of strawberries and potatoes are computed from monthly average prices received by farmers. Farm values for chilled orange juice are computed for the BLS pricing week from prices for oranges used for this product, which are reported by the Florida Canners' Association. An average price for Thompson Seedless grapes is computed monthly during the season by averaging prices for the first 2 weeks of each month. C&MS publishes weekly grape prices.

PROCESSED FRUITS AND VEGETABLES

Farm product equivalents per retail unit for most of the processed fruits and vegetables in the market basket sample were computed for this report from data published in (25) (table 26). The equivalents for frozen orange juice concentrate are computed monthly from seasonal average yields to date reported by the Florida Canners' Association.

No allowance is made for value of byproducts, although rinds and peelings may have some value.

Prices used to compute farm values of most processed fruits and vegetables are seasonal averages, as monthly prices are not available. A 3-month period at the beginning of the new processing season is used for the transition from the price of one season to that of the next to avoid sharp changes in farm value (table 26). Also, at the beginning of a new season, much of the volume sold at retail comes from the previous season's production. During this transition period, average prices are weighted for the previous and current seasons, respectively--75 and 25 in the first month, 50 and 50 in the second month, and 25 and 75 in the third month. For the months after the transition period, average prices for the current season are continued until the next season. Calendar year farm value is, in effect, a weighted average price of crops for preceding and current years.

Farm value calculations for most processed deciduous fruits and vegetables use seasonal average prices at the processing plant published annually by SRS in "Noncitrus Fruit Prices," a supplement of "Agricultural Prices," or in "Vegetables-Processing."

Prices of California peaches for canning are used to compute farm value of canned peaches. Prices for Bartlett pears for canning, from the three Pacific Coast States, are used to compute farm value of canned pears. Prices of California clingstone peaches, pears (all varieties), sweet cherries for brining, and raisin-variety grapes for canning are weighted together to estimate farm value for canned fruit cocktail. No allowance is made for pineapple in estimating this farm value because prices are not available for Hawaiian pineapple for processing. Thus, the cost is included in the farm-retail spread. Farm values for all canned fruits include an allowance for sugar.

A weekly release by the Florida Canners' Association provides a seasonal average price to date paid growers for oranges used in frozen orange juice concentrate. Farm value for frozen orange juice concentrate is computed from this price each month.

Farm value of frozen lemonade concentrate is computed from a seasonal average price to date received by growers for lemons for processing that are delivered to the processing plant. Farm value also includes an allowance for sugar.

Farm values for french-fried and instant potatoes are computed from seasonal average prices to date for fresh potatoes from October through May. Farm values for frozen french fries are computed from a weighted average of prices for potatoes grown in Idaho and Maine, and those for instant mashed potatoes, from Idaho prices only.

Table 26.--Processed fruits and vegetables: Retail pricing units, farm product equivalents, sugar content, and transition periods used for estimating farm values, 1964 onward

Retail product	Retail unit	Farm product	Farm product equivalent per retail unit	Sugar added per unit	Transition period 1/
			Pounds	Pound	
Fruits:					
Lemonade, frozen	6-ounce can	Lemons for processing	0.8344	0.2274	November-January
Orange juice	do.	Florida oranges for concentrate	2/	0	January-March
Peaches, cling, canned	No. 2½ can	California cling peaches for canning	1.52	.2250	July-September
Pears, Bartlett, canned	do.	Bartlett pears for canning from Pacific Coast States	1.81	.2125	July-September
Fruit cocktail, canned	No. 303 can	California cling peaches, pears (all varieties), cherries, and grapes	3/ .9416	.1250	Varies by fruit
Vegetables:					
Beans, dried	Pound	Michigan and Nebraska dry edible beans	1.04	0	----
Beets, sliced, canned	No. 303 can	Beets for canning	1.1905	0	August-October
Broccoli, frozen	10 ounces	Broccoli for fresh market	.8310	0	October-December
Corn, canned	No. 303 can	Corn for canning	2.252	0	July-September
Peas, canned	do.	Peas for canning	.7246	0	June-August
Peas, frozen	10 ounces	Peas for freezing	.6812	0	July-September
Pickle relish	12 ounces	Cucumber for pickles	.5140		August-October
		Cauliflower for fresh market	.0792	.0600	October-December
		Onions for fresh market	.0670		July-September
Potatoes, french-fried, frozen	9 ounces	Potatoes from Idaho and Maine	1.4062	0	October-December
Potatoes, instant	7 ounces	Potatoes from Idaho	3.1062	0	October-December
Tomatoes, canned	No. 303 can	Tomatoes for processing	1.5152	0	August-October

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1/ During these 3 months, weights of 75-25, 50-50, and 25-75 are assigned to prices of previous season and current season, respectively.
2/ Farm product equivalents for each month during season are computed from data on seasonal average yields to date.
3/ Pineapple is excluded from farm product equivalent for canned fruit cocktail.

SRS prices of fresh broccoli, cauliflower, and onions are used to calculate farm values of frozen broccoli and pickle relish, since SRS only publishes prices of these vegetables marketed in fresh form.

BLS averages prices for pea beans in some cities and Great Northern beans in other cities to obtain a U.S. average price for dried beans. Thus, to be comparable, farm value for dried beans should include both varieties. SRS prices are available by State but not by variety. Michigan grows mainly pea beans and Nebraska, mainly Great Northern; thus, ERS computes farm value for dried beans each month by weighting prices of beans in these two States.

FATS AND OILS

Salad or Cooking Oil, Shortening, and Margarine

BLS collects retail prices of vegetable oils used for salad or cooking, shortening made from hydrogenated vegetable oils, and margarine that contains no corn oil, butter, or cream.

Farm Product Equivalent

Vegetable shortening and the type of margarine priced by BLS are manufactured mainly from cottonseed and soybean oils. 36/ Salad or cooking oil contains these oils and also corn oil.

Refined-oil equivalents of these products are as follows:

Product and retail unit	Quantity
	Pounds
Shortening, 3 lb.	3.015
Salad or cooking oil, 24 fluid oz.	1.451
Margarine, 1 lb.	0.815

Vegetable shortening and salad or cooking oil contain only oil. Margarine contains 0.017 pound of nonfat dry milk in addition to 0.805 pound of vegetable oil. 37/ The oil equivalents for vegetable shortening and salad or cooking oil include an allowance for 0.5 percent loss in extracting and refining oil and manufacturing the finished products. The oil equivalent for margarine allows for 1.2 percent waste and shrinkage. Losses are greater because margarine is churned, molded, cut, and wrapped.

36/ Quantities of peanut and other vegetable oils used in the manufacture of margarine and shortening are too small to be considered in calculating proportions of oils used to manufacture these products.

37/ The data and procedure used in calculating farm value of nonfat dry milk have been described in the section on butter.

The proportion of each oil used in computing farm value of each product is the average of proportions for the 2 preceding years, calculated from data in "Fats and Oils--Production, Consumption, and Factory and Warehouse Stocks," one of the "Current Industrial Reports" published by the Bureau of the Census. The following proportions for margarine and shortening were used in calculating 1959 and 1969 farm values:

Oil	Margarine		Vegetable shortening	
	1959	1969	1959	1969
	Percent			
Cottonseed	16.3	5.6	21.6	12.7
Soybean	83.7	94.4	78.4	87.3
Total	100.0	100.0	100.0	100.0

Oil proportions for salad or cooking oil in 1965 and 1969 were:

Oil	1965	1969
	Percent	
Corn	8.9	8.4
Cottonseed	31.6	20.9
Soybean	59.5	70.7
Total	100.0	100.0

Retail prices for salad or cooking oil were not available before December 1963. In each of the three products (shortening, salad or cooking oil, and margarine), the proportion of cottonseed oil has decreased and that of soybean oil has increased.

The quantity of each refined oil equivalent to the retail unit of each finished product is calculated by multiplying the refined-oil equivalent of each product by the proportion of each oil used in the manufacture of the product. These quantities of refined oil are multiplied by the following factors to convert them to equivalent quantities of crude oil:

	Conversion factors
Corn oil	1.08
Cottonseed oil	1.04
Soybean oil	1.08

Gross Farm Value

The next step in calculating farm value of shortening, salad or cooking oil, and margarine is to calculate gross farm value per pound of crude corn, cottonseed, and soybean oils. Farm value per pound of these oils is then multiplied by the quantity of each oil in each product to arrive at gross farm values of the finished products.

Gross farm value per pound of each oil is computed by dividing the price per ton or bushel by the yield of crude oil per ton or bushel.

Corn oil's average yield, which is relatively stable, is estimated at 1.6 pounds per bushel of corn. Average yields of cottonseed and soybean oils, which vary from year to year, are calculated from "Fats and Oils--Vegetable Oil Crushers," one of the "Current Industrial Reports" published by the Bureau of the Census. Yields for each year are averages of yields in the 2 preceding years. Yields used for 1959 and 1969 were:

Oilseed	Yield of oil per unit	
	1959	1969
	Pounds	
Cottonseed/ton	333.00	331.00
Soybeans/bushel	10.77	10.62

Farm prices of corn, cottonseed, and soybeans used in computing gross farm values of these crude oils are from the SRS monthly "Agricultural Prices." Prices are not available for cottonseed during the season when there are few sales by farmers--usually April through July. The average of prices for the last 3 months for which prices were available is used as the price for each month during this off-season.

Byproduct Allowances

All the products derived in processing each of the three farm products--corn, cottonseed, and soybeans--are valued at wholesale prices in order to compute the percentage of their total value contributed by products other than crude oil. Gross farm value is multiplied by this percentage to calculate the byproduct allowance for each product.

The products derived from 1 bushel of corn in wet milling, which are considered constant from year to year, are:

	Pounds
Cornstarch	35.0
Gluten feed	12.0
Gluten meal	3.0
Crude corn oil	1.6

An imputed wholesale price of cornstarch is derived from quantity and value data in "U.S. Exports of Merchandise for Consumption," U.S. Department of Commerce. Prices of gluten feed and gluten meal are taken from "Feed Market News--Weekly Summary and Statistics," published by C&MS. BLS publishes a price of crude corn oil.

As they vary slightly from year to year, yields used in calculating total values of cottonseed and soybean products for a given year are averages of those for the 2 preceding years. Yields used for 1969 were:

Item	Yield
	Pounds
Products per ton of cottonseed:	
Crude oil	331.0
Cake and meal	934.6
Linters	186.0
Hulls	468.8
Products per bushel of soybeans:	
Crude oil	10.62
Cake and meal, including hull meal	47.00

BLS publishes prices of crude cottonseed and soybean oils. C&MS publishes prices of cake and meal in "Feed Market News--Weekly Summary and Statistics" and prices of cotton linters in its "Monthly Cotton Linters Report." Prices of cottonseed hulls have not been available for many years. No allowance is made for their value in calculating total value of cottonseed products, since they account for perhaps no more than 3 percent of the total.

Peanut Butter

Retail prices are for 12 ounces of peanut butter. The farm product equivalent is 1.21 pounds of unshelled, farmers' stock peanuts. Farm value is calculated from prices per pound that SRS publishes for unshelled, farmers' stock peanuts for all uses. No allowance is made for the negligible value of byproducts.

MISCELLANEOUS PRODUCTS

Sugar

BLS collects prices of white granulated beet or cane sugar. Farm value is calculated from prices farmers receive for sugarbeets and sugarcane.

Farm product equivalents per pound of refined sugar, which vary from year to year, are computed from yields of refined sugar from sugarbeets and sugarcane. SRS publishes these data in its crop production summary issued each December. Farm product equivalents for 1970 were 7.83 pounds of sugarbeets and 11.15 pounds of sugarcane per pound of refined sugar.

Gross farm values for beet and cane sugar are calculated from prices received by farmers for sugarbeets and sugarcane. These prices are published in "Crop Values: Season Average Prices and Value of Production," an SRS annual report.

Allowances for the percentages of gross farm values attributed to the value of byproducts obtained in processing sugarbeets and sugarcane are obtained by multiplying gross farm value of each type of sugar by 6 percent. This percentage was calculated from data published in the Census of Manufacturers and other sources and is used for all years.

Only seasonal farm prices are available for sugarbeets and sugarcane. During January-September, monthly farm values for each type of sugar are computed from prices received for the sugar crops of the preceding year. Monthly farm values for October-December are calculated by (1) assigning weights of 75, 50, and 25 in succeeding months to farm values based on the preceding year's price and (2) assigning weights of 25, 50, and 75 to farm values based on the current year's price.

The Federal Government makes payments to growers per ton of sugarbeets and sugarcane in return for compliance with acreage quotas. These payments vary from year to year mainly because sugar content of the sugar crops varies.

Average Government payments per ton are reported in "Crop Values: Season Average Prices and Value of Production." The same farm product equivalents, byproduct allowances, and weighting procedures used in calculating farm values are used to calculate monthly average payments.

Farm value that is compared with the retail price of sugar is obtained by weighting farm values of beet and cane sugar--0.769 for beet sugar and 0.231 for cane sugar. These weights are based on 1963 beet and mainland cane sugar production. Farm values of these two types of sugar usually do not differ significantly; thus, use of constant rather than annual weights has had little effect on the weighted average farm value. The same weights are used to calculate the average Government producer payment per pound of sugar sold to consumers.

The weighted average farm value per pound of sugar and the Government payment per pound are multiplied by 5 to obtain values comparable to 5 pounds of sugar, the quantity for which BLS publishes retail prices.

Sugar processors pay a Federal excise tax of 53.5 cents per 100 pounds of refined sugar. The tax per 5 pounds of sugar is subtracted from the farm-retail spread to arrive at the marketing charge for sugar.

Other Miscellaneous Products

Spaghetti

BLS publishes prices for a 15¼-ounce can of spaghetti in tomato sauce that may contain cheese.

Farm value of this product is total farm value of the following ingredients

	Ounces
Spaghetti (dry)	3.19
Tomato pulp	2.38
Sugar	.29
Cheese, American process	.07

Other farm-derived ingredients of the sauce--onions and cornstarch--are not included because they account for insignificant parts of total farm value. Farm value of American process cheese is used to facilitate calculations, although natural cheese probably is the ingredient generally used.

It is estimated that 3.32 ounces of semolina are required to produce 3.19 ounces of spaghetti, and that the farm product equivalent of 3.19 ounces is 0.00597 bushel of durum wheat. 38/

Since durum wheat prices are not available, ERS calculates farm value from prices received for hard spring wheat by North Dakota farmers, who produce most of the durum wheat raised in this country. The byproduct allowance is calculated from flour and millfeed prices used to calculate the byproduct allowance for white flour.

Farm value of tomato pulp is calculated from the SRS seasonal average price of tomatoes for processing. Data and procedures used in calculating farm values of American process cheese and sugar have been described earlier.

Grape Jelly

BLS publishes prices of a 10-ounce jar of grape jelly made from filtered or strained grape juice. The farm product equivalent is 0.398 pound of grapes. Farm value is calculated from a simple average of Concord grape prices received by growers in New York State and Pennsylvania and average prices of all varieties of grapes sold by farmers in Michigan. Sugar content of the jelly is 0.379 pound.

38/ "Semolina is the coarsely ground and carefully purefied milling product or middlings of durum wheat. It consists of grits of different sizes . . . the term 'semolina' is the Italian name for grits or middlings. If grits should be ground finer, the result would be flour." LeClarc, J.A. "Macaroni Products," Cereal Chemistry, Vol. 10, pp. 383-419, 1933, quoted in (4, pp. 143-44).

Chicken Soup

BLS publishes prices of a 10½-ounce can of condensed chicken soup containing noodles or rice. It is estimated that the live-chicken equivalent is 0.085 pound and the rough rice equivalent, 0.022 pound. Farm value of chicken is computed from the SRS published price for chickens, excluding broilers. Farm value of rice is computed from the SRS monthly price for rough rice, which is an average of prices received by farmers in five States producing long- and medium-grain rice. In addition, farm value of chicken soup includes farm value of 0.024 pound of carrots, calculated from the SRS price for carrots for fresh use. Prices of carrots for processing are not available.

Bean Soup

BLS publishes prices for an 11½-ounce can of condensed bean soup, made from pea beans and flavored with bacon, ham, or smoked pork. The farm product equivalent is 0.138 pound of dry beans. Farm value is calculated from the average price received for dry beans by Michigan growers, who produce mostly pea beans. The quantity of pork required for seasoning probably does not add to farm value significantly.

Table 27.--Market basket of farm-food products: Retail costs, farm value, farm-retail spread, and farmer's share of retail cost, 1947-71 1/

Period	Retail cost	Farm value	Farm-retail spread	Farmer's share 2/
	Dollars			Percent
1947	868	448	420	52
1948	935	477	458	51
1949	884	418	466	47
Average:				
1947-49	896	448	448	50
1950	878	415	463	47
1951	975	477	498	49
1952	985	463	522	47
1953	956	428	528	45
1954	939	405	534	43
1955	923	379	544	41
1956	926	375	551	40
1957	960	388	572	40
1958	1,015	418	597	41
1959	991	385	606	39
Average:				
1957-59	989	397	592	40
1960	996	393	603	39
1961	999	386	613	39
1962	1,009	395	614	39
1963	1,007	378	629	38
1964	1,009	377	632	37
1965	1,037	416	621	40
1966	1,092	445	647	41
1967	1,081	419	662	39
1968	1,119	441	678	39
1969	1,176	480	696	41
1970	1,223	476	747	39
1971				
1972				
1973				
1947:				
Jan.-Mar.	833	433	400	52
Apr.-June	850	431	419	51
July-Sept.	879	450	429	51
Oct.-Dec.	909	479	430	53
1948:				
Jan.-Mar.	911	474	437	52
Apr.-June	935	476	459	51
July-Sept.	962	501	461	52
Oct.-Dec.	932	459	473	49
1949:				
Jan.-Mar.	892	424	468	48
Apr.-June	892	418	474	47
July-Sept.	885	420	465	47
Oct.-Dec.	866	409	457	47
1950:				
Jan.-Mar.	834	393	441	47
Apr.-June	858	403	455	47
July-Sept.	901	430	471	48
Oct.-Dec.	921	436	485	47
1951:				
Jan.-Mar.	965	479	486	50
Apr.-June	976	477	499	49
July-Sept.	976	477	499	49
Oct.-Dec.	984	476	508	48
1952:				
Jan.-Mar.	970	460	510	47
Apr.-June	979	455	524	47
July-Sept.	1,001	475	526	47
Oct.-Dec.	989	461	528	47
1953:				
Jan.-Mar.	951	428	523	45
Apr.-June	955	425	530	44
July-Sept.	966	436	530	45
Oct.-Dec.	951	423	528	45
1954:				
Jan.-Mar.	950	420	530	44
Apr.-June	941	409	532	43
July-Sept.	941	402	539	43
Oct.-Dec.	923	388	535	42
1955:				
Jan.-Mar.	923	395	528	43
Apr.-June	928	389	539	42
July-Sept.	930	376	554	40
Oct.-Dec.	912	357	555	39
1956:				
Jan.-Mar.	899	355	544	40
Apr.-June	922	379	543	41
July-Sept.	947	388	559	41
Oct.-Dec.	936	377	559	40
1957:				
Jan.-Mar.	936	372	564	40
Apr.-June	955	383	572	40
July-Sept.	985	406	579	41
Oct.-Dec.	967	393	574	41
1958:				
Jan.-Mar.	1,003	424	579	42
Apr.-June	1,030	432	598	42
July-Sept.	1,024	418	606	41
Oct.-Dec.	1,002	399	603	40

Continued--

Table 27.--Market basket of farm-food products: Retail costs, farm value, farm-retail spread, and farmer's share of retail cost, 1947-71 1/--Continued

Period	Retail cost	Farm value	Farm-retail spread	Farmer's share 2/	Period	Retail cost	Farm value	Farm retail spread	Farmer's share 2/
	Dollars			Percent		Dollars			Percent
1959:					1967:				
Jan.-Mar.	998	396	602	40	Jan.-Mar.	1,073	416	657	39
Apr.-June	991	390	601	39	Apr.-June	1,071	418	653	39
July-Sept.	994	384	610	39	July-Sept.	1,096	431	665	39
Oct.-Dec.	981	369	612	38	Oct.-Dec.	1,083	411	672	38
1960:					1968:				
Jan.-Mar.	978	383	595	39	Jan.-Mar.	1,102	435	667	39
Apr.-June	997	395	602	40	Apr.-June	1,115	442	673	40
July-Sept.	1,003	391	612	39	July-Sept.	1,130	447	683	40
Oct.-Dec.	1,007	404	603	40	Oct.-Dec.	1,128	440	688	39
1961:					1969:				
Jan.-Mar.	1,010	403	607	40	Jan.-Mar.	1,138	458	680	40
Apr.-June	997	377	620	38	Apr.-June	1,167	486	680	42
July-Sept.	999	383	616	38	July-Sept.	1,200	489	711	41
Oct.-Dec.	991	382	609	39	Oct.-Dec.	1,200	488	712	41
1962:					1970:				
Jan.-Mar.	1,007	397	610	39	Jan.-Mar.	1,226	502	724	41
Apr.-June	1,004	382	622	38	Apr.-June	1,226	480	746	39
July-Sept.	1,014	401	613	40	July-Sept.	1,234	479	755	39
Oct.-Dec.	1,010	398	612	39	Oct.-Dec.	1,207	442	765	37
1963:					1971:				
Jan.-Mar.	1,010	384	626	38	Jan.-Mar.	1,218	467	751	38
Apr.-June	999	372	627	37	Apr.-June	1,244	473	771	38
July-Sept.	1,015	385	630	38	July-Sept.	1,261	481	780	38
Oct.-Dec.	1,004	371	633	37	Oct.-Dec.				
1964:					1972:				
Jan.-Mar.	1,004	370	634	37	Jan.-Mar.				
Apr.-June	999	362	637	36	Apr.-June				
July-Sept.	1,021	393	628	38	July-Sept.				
Oct.-Dec.	1,012	384	628	38	Oct.-Dec.				
1965:					1973:				
Jan.-Mar.	1,008	389	619	39	Jan.-Mar.				
Apr.-June	1,036	418	618	40	Apr.-June				
July-Sept.	1,056	425	631	40	July-Sept.				
Oct.-Dec.	1,049	431	618	41	Oct.-Dec.				
1966:									
Jan.-Mar.	1,086	459	627	42					
Apr.-June	1,086	439	647	40					
July-Sept.	1,107	456	651	41					
Oct.-Dec.	1,092	427	665	39					

1/ The market basket contains the average quantities of farm-originated foods purchased annually per household in 1960-61 by families of urban wage earners and clerical workers and workers living alone. Annual and quarterly averages calculated from monthly unrounded data.

2/ Computed from unrounded figures.

Table 28.--Market basket of farm-food products: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, by months, 1957-71 1/

Period	Retail cost	Farm value	Farm-retail spread	Farmer's share 2/	Period	Retail cost	Farm value	Farm-retail spread	Farmer's share 2/
	Dollars	Dollars	Dollars	Percent		Dollars	Dollars	Dollars	Percent
1957:					1961:				
Jan.	931	374	557	40	Jan.	1,011	404	607	40
Feb.	940	367	573	39	Feb.	1,011	407	604	40
Mar.	935	374	561	40	Mar.	1,007	399	608	40
Apr.	944	380	564	40	Apr.	1,004	387	617	39
May	954	379	575	40	May	996	374	622	38
June	967	389	578	40	June	992	369	623	37
July	981	406	575	41	July	1,001	379	622	38
Aug.	992	413	579	42	Aug.	998	383	615	38
Sept. ...	980	400	580	41	Sept. ...	998	386	612	39
Oct.	968	390	578	40	Oct.	994	381	613	38
Nov.	963	391	572	41	Nov.	988	380	608	38
Dec.	969	396	573	41	Dec.	991	386	605	39
Average .	960	388	572	40	Average .	999	386	613	39
1958:					1962:				
Jan.	991	410	581	41	Jan.	1,002	395	607	39
Feb.	998	417	581	42	Feb.	1,007	399	608	40
Mar.	1,022	446	576	44	Mar.	1,011	399	612	39
Apr.	1,030	436	594	42	Apr.	1,007	388	619	39
May	1,031	434	597	42	May	1,002	380	622	38
June	1,029	427	602	41	June	1,003	378	625	38
July	1,035	423	612	41	July	1,007	388	619	39
Aug.	1,022	413	609	40	Aug.	1,011	399	612	39
Sept. ...	1,014	418	596	41	Sept. ...	1,026	416	610	41
Oct.	1,006	404	602	40	Oct.	1,017	401	616	39
Nov.	1,003	400	603	40	Nov.	1,012	398	614	39
Dec.	998	393	605	39	Dec.	1,001	393	608	39
Average .	1,015	418	597	41	Average .	1,009	395	614	39
1959:					1963:				
Jan.	1,003	398	605	40	Jan.	1,016	392	624	39
Feb.	998	393	605	39	Feb.	1,010	382	628	38
Mar.	992	397	595	40	Mar.	1,003	376	627	37
Apr.	989	394	595	40	Apr.	1,001	373	628	37
May	989	388	601	39	May	993	367	626	37
June	995	386	609	39	June	1,004	377	627	38
July	1,000	382	618	38	July	1,018	392	626	39
Aug.	989	383	606	39	Aug.	1,017	383	634	38
Sept. ...	993	386	607	39	Sept. ...	1,011	378	633	37
Oct.	986	375	611	38	Oct.	1,006	379	627	38
Nov.	979	366	613	37	Nov.	1,001	373	628	37
Dec.	979	365	614	37	Dec.	1,004	362	642	36
Average .	991	385	606	39	Average .	1,007	378	629	38
1960:					1964:				
Jan.	978	374	604	38	Jan.	1,009	373	636	37
Feb.	976	379	597	39	Feb.	1,005	367	638	37
Mar.	979	397	582	41	Mar.	998	369	629	37
Apr.	995	402	593	40	Apr.	993	356	637	36
May	997	395	602	40	May	995	361	634	36
June	998	388	610	39	June	1,009	369	640	37
July	1,007	393	614	39	July	1,020	388	632	38
Aug.	1,002	389	613	39	Aug.	1,020	392	628	38
Sept. ...	1,000	389	611	39	Sept. ...	1,023	398	625	39
Oct.	1,004	401	603	40	Oct.	1,015	387	628	38
Nov.	1,007	404	603	40	Nov.	1,010	384	626	38
Dec.	1,010	407	603	40	Dec.	1,011	382	629	38
Average .	996	393	603	39	Average .	1,009	377	632	37

Continued--

Table 28.--Market basket of farm-food products: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, by months, 1957-71 1/--Continued

Period	Retail cost	Farm value	Farm-retail spread	Farmer's share 2/
		Dollars		Percent
1965:				
Jan.	1,009	384	625	38
Feb.	1,006	390	616	39
Mar.	1,008	395	613	39
Apr.	1,014	404	610	40
May	1,032	419	613	41
June	1,061	431	630	41
July	1,068	428	640	40
Aug.	1,054	427	627	40
Sept. ...	1,044	421	623	40
Oct.	1,042	421	621	40
Nov.	1,044	423	621	41
Dec.	1,062	447	615	42
Average .	1,037	416	621	40
1966:				
Jan.	1,072	452	620	42
Feb.	1,092	466	626	43
Mar.	1,093	460	633	42
Apr.	1,088	445	643	41
May	1,083	437	646	40
June	1,086	435	651	40
July	1,094	448	646	41
Aug.	1,117	465	652	42
Sept. ...	1,109	455	654	41
Oct.	1,099	437	662	40
Nov.	1,087	425	662	39
Dec.	1,089	419	670	38
Average .	1,092	445	647	41
1967:				
Jan.	1,082	423	659	39
Feb.	1,071	415	656	39
Mar.	1,065	410	655	38
Apr.	1,061	403	658	38
May	1,067	422	645	40
June	1,084	429	655	40
July	1,096	436	660	40
Aug.	1,101	433	668	39
Sept. ...	1,091	424	667	39
Oct.	1,083	412	671	38
Nov.	1,081	408	673	38
Dec.	1,086	415	671	38
Average .	1,081	419	662	39
1968:				
Jan.	1,098	430	668	39
Feb.	1,101	436	665	40
Mar.	1,105	438	667	40
Apr.	1,110	443	667	40
May	1,115	440	675	39
June	1,119	443	676	40
July	1,131	452	679	40
Aug.	1,131	444	687	39
Sept. ...	1,130	445	685	39
Oct.	1,130	436	694	39
Nov.	1,123	435	688	39
Dec.	1,131	449	682	40
Average .	1,119	441	678	39
1969:				
Jan.	1,135	452	683	40
Feb.	1,135	455	680	40
Mar.	1,143	467	676	41
Apr.	1,151	472	679	41
May	1,166	490	676	42
June	1,182	495	687	42
July	1,195	493	702	41
Aug.	1,204	492	712	41
Sept. ...	1,199	483	716	40
Oct.	1,183	474	709	40
Nov.	1,195	492	703	41
Dec.	1,221	499	722	41
Average .	1,176	480	696	41
1970:				
Jan.	1,226	501	725	41
Feb.	1,229	507	722	41
Mar.	1,224	499	725	41
Apr.	1,223	481	742	39
May	1,227	479	748	39
June	1,228	481	747	39
July	1,240	495	745	40
Aug.	1,236	470	766	38
Sept. ...	1,226	472	754	38
Oct.	1,215	452	763	37
Nov.	1,201	438	763	36
Dec.	1,206	436	770	36
Average .	1,223	476	747	39
1971:				
Jan.	1,208	452	756	37
Feb.	1,218	474	744	39
Mar.	1,226	474	752	39
Apr.	1,237	471	766	38
May	1,242	473	769	38
June	1,253	476	777	38
July	1,266	486	780	38
Aug.	1,266	483	783	38
Sept. ...	1,251	473	778	38
Oct.				
Nov.				
Dec.				
Average .				
1972:				
Jan.				
Feb.				
Mar.				
Apr.				
May				
June				
July				
Aug.				
Sept. ...				
Oct.				
Nov.				
Dec.				
Average .				

1/ The market basket contains the average quantities of farm-originated foods purchased annually per household in 1960-61 by families of urban wage earners and clerical workers and workers living alone. Annual averages calculated from monthly unrounded data.

2/ Computed from unrounded figures.

Table 29.--Meat products: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, 1957-71 1/

Period	Retail cost	Farm value	Farm-retail spread	Farmer's share
	Dollars	Dollars	Dollars	Percent
1957	267.62	154.20	113.42	58
1958	302.87	184.92	117.95	61
1959	292.34	163.81	128.53	56
Average: 1957-59	287.61	167.64	119.97	58
1960	286.54	162.81	123.73	57
1961	287.83	159.45	128.38	55
1962	295.12	171.94	123.18	58
1963	286.83	154.20	132.62	54
1964	280.97	147.62	133.35	53
1965	307.23	181.21	126.02	59
1966	331.48	192.87	138.61	58
1967	319.61	180.48	139.13	56
1968	328.57	187.31	141.26	57
1969	363.17	214.28	148.89	59
Average: 1967-69	337.11	194.02	143.09	58
1970	379.65	209.33	170.32	55
1971				
1972				
1973				
1960:				
Jan.-Mar.	278.03	158.28	119.75	57
Apr.-Jun.	287.74	167.56	120.18	58
Jul.-Sept.	290.74	161.21	129.53	55
Oct.-Dec.	288.63	164.21	124.42	57
1961:				
Jan.-Mar.	293.75	168.05	125.70	57
Apr.-Jun.	286.11	152.49	133.62	53
Jul.-Sept.	285.13	158.30	126.83	56
Oct.-Dec.	286.35	158.97	127.38	56
1962:				
Jan.-Mar.	290.51	166.30	124.21	57
Apr.-Jun.	288.29	162.76	125.53	56
Jul.-Sept.	301.07	181.00	120.07	60
Oct.-Dec.	300.60	177.69	122.91	59
1963:				
Jan.-Mar.	290.87	156.45	134.42	54
Apr.-Jun.	280.12	150.33	129.79	54
Jul.-Sept.	290.92	163.70	127.22	56
Oct.-Dec.	285.39	146.33	139.06	51
1964:				
Jan.-Mar.	277.44	140.75	136.69	51
Apr.-Jun.	274.29	140.26	134.03	51
Jul.-Sept.	287.89	160.75	127.14	56
Oct.-Dec.	284.27	148.70	135.57	52
1965:				
Jan.-Mar.	283.20	156.11	127.09	55
Apr.-Jun.	297.66	180.93	116.73	61
Jul.-Sept.	323.05	192.84	130.21	60
Oct.-Dec.	325.00	194.96	130.04	60
1966:				
Jan.-Mar.	341.91	209.83	132.08	61
Apr.-Jun.	329.68	192.09	137.59	58
Jul.-Sept.	333.24	195.33	137.91	59
Oct.-Dec.	321.08	174.21	146.87	54
1967:				
Jan.-Mar.	313.39	172.83	140.56	55
Apr.-Jun.	314.42	182.78	131.64	58
Jul.-Sept.	328.70	191.70	137.00	58
Oct.-Dec.	321.93	174.59	147.34	54
1968:				
Jan.-Mar.	323.59	183.80	139.79	57
Apr.-Jun.	326.03	186.53	139.50	57
Jul.-Sept.	333.36	193.47	139.89	58
Oct.-Dec.	331.32	185.43	145.89	56
1969:				
Jan.-Mar.	336.53	195.13	141.40	58
Apr.-Jun.	359.43	223.16	136.27	62
Jul.-Sept.	381.37	224.54	156.83	59
Oct.-Dec.	375.20	214.31	160.89	57
1970:				
Jan.-Mar.	384.64	226.22	158.42	59
Apr.-Jun.	384.59	217.98	166.61	57
Jul.-Sept.	384.43	213.44	170.99	56
Oct.-Dec.	364.95	179.66	185.29	49
1971:				
Jan.-Mar.	366.06	197.73	168.33	54
Apr.-Jun.	372.47	201.14	171.33	54
Jul.-Sept.	380.70	210.54	170.16	55
Oct.-Dec.				
1972:				
Jan.-Mar.				
Apr.-Jun.				
Jul.-Sept.				
Oct.-Dec.				
1973:				
Jan.-Mar.				
Apr.-Jun.				
Jul.-Sept.				
Oct.-Dec.				

1/ Average quantities of meat products bought annually per household in 1960-61 by families of wage earners and clerical workers and workers living alone.

Table 30.--Meat products: Indexes of retail cost, farm value, and farm-retail spread, 1947-70
(1967=100)

Year	Retail cost	Farm value	Farm-retail spread
1947	78	102	48
1948	89	113	58
1949	81	99	58
1950	85	106	59
1951	97	123	63
1952	94	111	72
1953	85	96	71
1954	84	95	71
1955	78	79	76
1956	76	74	77
1957	84	85	82
1958	95	102	85
1959	91	91	92
1960	90	90	89
1961	90	88	92
1962	92	95	88
1963	90	85	95
1964	88	82	96
1965	96	100	91
1966	104	107	100
1967	100	100	100
1968	103	104	102
1969	114	119	107
1970	119	116	122
1971			
1972			
1973			

Table 31.--Beef, Choice: Retail price, carcass value, farm value, farm-retail spread, and farmer's share of retail price, annual 1949-70, quarterly, 1960-71

Period	Retail price per pound 1/	Carcass value 2/	Gross farm value 3/	Byproduct allowance 4/	Net farm value 5/	Farm-retail spread			Farmer's share
						Total	Carcass-retail	Farm-carcass	
	Cents								Percent
1949	67.8	56.4	54.9	5.8	49.1	18.7	11.4	7.3	72
1950	74.6	61.7	61.9	6.7	55.2	19.4	12.9	6.5	74
1951	87.3	74.6	75.6	8.6	67.0	20.3	12.7	7.6	77
1952	85.7	70.6	68.8	5.8	63.0	22.7	15.1	7.6	74
1953	68.4	53.7	49.9	4.6	45.3	23.1	14.7	8.4	66
1954	67.8	54.1	50.8	4.4	46.4	21.4	13.7	7.7	68
1955	66.8	52.8	48.5	4.1	44.4	22.4	14.0	8.4	66
1956	65.4	51.1	46.3	4.1	42.2	23.2	14.3	8.9	65
1957	69.9	53.9	49.8	4.4	45.4	24.5	16.0	8.5	65
1958	80.2	61.5	59.0	5.0	54.0	26.2	18.7	7.5	67
1959	82.0	62.1	59.9	5.5	54.4	27.6	19.9	7.7	66
Average:									
1957-59	77.4	59.2	56.2	5.0	51.3	26.1	18.2	7.9	66
1960	80.2	59.5	56.7	4.6	52.1	28.1	20.7	7.4	65
1961	78.4	56.3	53.6	4.8	48.8	29.6	22.1	7.5	62
1962	81.7	61.8	60.1	4.9	55.2	26.5	19.9	6.6	68
1963	78.5	55.3	52.6	4.2	48.4	30.1	23.2	6.9	62
1964	76.5	53.3	50.3	4.1	46.2	30.3	23.2	7.1	60
1965	80.1	58.0	56.5	4.7	51.8	28.3	22.1	6.2	65
1966	82.4	58.5	57.6	5.3	52.3	30.1	23.9	6.2	63
1967	82.6	59.4	57.0	4.0	53.0	29.6	23.2	6.4	64
1968	86.6	63.1	60.5	3.8	56.7	29.9	23.5	6.4	65
1969	96.2	68.7	66.9	4.7	62.2	34.0	27.5	6.5	65
Average:									
1967-69	88.5	63.7	61.5	4.2	57.3	31.2	24.8	6.4	65
1970	98.6	68.3	66.3	4.8	61.5	37.1	30.3	6.8	62
1971									
1972									
1973									
1960:									
Jan.-Mar.	80.4	61.6	58.4	4.6	53.8	26.6	18.8	7.8	67
Apr.-June	81.3	61.2	58.9	5.0	53.9	27.4	20.1	7.3	66
July-Sept.	79.8	57.7	54.6	4.7	49.9	29.9	22.1	7.8	63
Oct.-Dec.	79.1	57.6	55.2	4.6	50.6	28.5	21.5	7.0	64
1961:									
Jan.-Mar.	80.9	60.3	56.8	4.5	52.3	28.6	20.6	8.0	65
Apr.-June	78.3	54.5	51.4	4.8	46.6	31.7	23.8	7.9	60
July-Sept.	76.1	54.0	51.4	5.0	46.4	29.7	22.1	7.6	61
Oct.-Dec.	78.1	56.3	54.7	4.9	49.8	28.3	21.8	6.5	64
1962:									
Jan.-Mar.	80.0	60.5	58.1	4.7	53.4	26.6	19.5	7.1	67
Apr.-June	80.1	59.4	57.5	5.0	52.5	27.6	20.7	6.9	66
July-Sept.	81.9	62.7	61.2	5.0	56.2	25.7	19.2	6.5	69
Oct.-Dec.	84.6	64.7	63.7	5.0	58.7	25.9	19.9	6.0	69
1963:									
Jan.-Mar.	80.6	57.3	55.2	4.4	50.8	29.8	23.3	6.5	63
Apr.-June	76.5	53.4	50.4	4.2	46.2	30.3	23.1	7.2	60
July-Sept.	78.6	56.9	54.3	4.2	50.1	28.5	21.7	6.8	64
Oct.-Dec.	78.4	53.7	50.6	4.1	46.5	31.9	24.7	7.2	59
1964:									
Jan.-Mar.	75.8	51.8	47.9	3.8	44.1	31.7	24.0	7.7	58
Apr.-June	73.5	50.0	46.5	4.1	42.4	31.1	23.5	7.6	58
July-Sept.	77.7	56.5	54.1	4.3	49.8	27.9	21.2	6.7	64
Oct.-Dec.	79.0	54.9	52.9	4.3	48.6	30.4	24.1	6.3	62

Continued--

Table 31.--Beef, Choice: Retail price, carcass value, farm value, farm-retail spread, and farmer's share of retail price, annual 1949-70, quarterly, 1960-71--Continued

Period	Retail price per pound 1/	Carcass value 2/	Gross farm value 3/	Byproduct allowance 4/	Net farm value 5/	Farm-retail spread			Farmer's share
						Total	Carcass-retail	Farm-carcass	
	Cents								Percent
1965:									
Jan.-Mar. ...	76.2	54.3	51.9	4.0	47.9	28.3	21.9	6.4	63
Apr.-June ...	79.9	59.7	58.2	4.6	53.6	26.3	20.2	6.1	67
July-Sept. ..	82.8	60.1	58.8	5.1	53.7	29.1	22.7	6.4	65
Oct.-Dec. ...	81.6	57.9	57.0	5.1	51.9	29.7	23.7	6.0	64
1966:									
Jan.-Mar. ...	82.7	61.3	60.7	5.5	55.2	27.5	21.4	6.1	67
Apr.-June ...	83.4	58.8	58.4	5.6	52.8	30.6	24.6	6.0	63
July-Sept. ..	81.8	57.6	56.9	5.5	51.4	30.4	24.2	6.2	63
Oct.-Dec. ...	81.7	56.2	54.4	4.6	49.8	31.9	25.5	6.4	61
1967:									
Jan.-Mar. ...	80.7	56.6	54.6	4.3	50.3	30.4	24.1	6.3	62
Apr.-June ...	80.6	58.2	55.7	3.9	51.8	28.8	22.4	6.4	64
July-Sept. ..	84.3	62.2	59.7	3.8	55.9	28.4	22.1	6.3	66
Oct.-Dec. ...	85.0	60.7	57.8	3.6	54.2	30.8	24.3	6.5	64
1968:									
Jan.-Mar. ...	85.0	62.0	59.2	3.6	55.6	29.4	23.0	6.4	65
Apr.-June ...	85.7	62.3	59.6	3.7	55.9	29.8	23.4	6.4	65
July-Sept. ..	87.5	64.1	61.5	3.8	57.7	29.8	23.4	6.4	66
Oct.-Dec. ...	88.1	64.1	61.8	4.0	57.8	30.3	24.0	6.3	66
1969:									
Jan.-Mar. ...	90.0	66.1	63.7	4.0	59.7	30.3	23.9	6.4	66
Apr.-June ...	97.7	74.6	73.3	4.8	68.5	29.2	23.1	6.1	70
July-Sept. ..	100.0	69.7	67.9	5.1	62.8	38.1	31.2	6.9	62
Oct.-Dec. ...	96.2	64.3	62.9	4.9	58.0	38.2	31.9	6.3	60
1970:									
Jan.-Mar. ...	98.1	68.6	66.4	5.0	61.4	36.7	29.5	7.2	63
Apr.-June ...	99.3	69.3	68.2	4.9	63.3	36.0	30.0	6.0	64
July-Sept. ..	99.9	70.3	68.0	4.6	63.4	36.5	29.6	6.9	63
Oct.-Dec. ...	97.3	64.9	62.4	4.5	57.9	39.4	32.4	7.0	60
1971:									
Jan.-Mar. ...	100.2	72.8	69.1	4.2	64.9	35.3	27.4	7.9	65
Apr.-June ...	104.8	76.3	72.8	4.6	68.2	36.6	28.5	8.1	65
July-Sept. ..	105.4	76.1	73.1	4.5	68.6	36.8	29.3	7.5	65
Oct.-Dec. ...									
1972:									
Jan.-Mar. ...									
Apr.-June ...									
July-Sept. ..									
Oct.-Dec. ...									
1973:									
Jan.-Mar. ...									
Apr.-June ...									
July-Sept. ..									
Oct.-Dec. ...									

1/ Weighted average price of retail cuts from Choice beef carcass.

2/ Wholesale value of quantity of Choice carcass equivalent to 1 pound of retail cuts sold to consumers--1.32 pounds in 1949-51, gradually increased to 1.41 pounds from 1962 on.

3/ Payment to farmer for quantity of Choice steer equivalent to 1 pound of retail cuts sold to consumers--2.12 pounds in 1949-51, gradually increased to 2.28 pounds from 1962 on.

4/ Portion of gross farm value attributed to edible and inedible byproducts.

5/ Gross farm value minus byproduct allowance.

Table 32.--Pork: Retail price, wholesale value, farm value, farm-retail spread, and farmer's share 1949-71

Period	Retail price per pound 1/	Wholesale value 2/	Gross farm value 3/	Byproduct allowance 4/	Net farm value 5/	Farm-retail spread			Farmer's share
						Total	Wholesale -retail	Farm- wholesale	
	Cents								Percent
1949	54.5	48.2	39.1	4.3	34.8	19.7	6.3	13.4	64
1950	53.8	46.5	39.0	4.6	34.4	19.4	7.3	12.1	64
1951	57.8	49.1	42.3	5.8	36.5	21.3	8.7	12.6	63
1952	56.2	47.9	37.8	3.8	34.0	22.2	8.3	13.9	60
1953	62.1	53.9	46.0	4.5	41.5	20.6	8.2	12.4	67
1954	63.4	54.1	46.2	5.1	41.1	22.3	9.3	13.0	65
1955	53.6	43.6	31.8	3.1	28.7	24.9	10.0	14.9	54
1956	51.4	41.2	29.7	3.1	26.6	24.8	10.2	14.6	52
1957	59.4	48.0	36.5	3.7	32.8	26.6	11.4	15.2	55
1958	63.8	52.5	40.9	3.9	37.0	26.9	11.3	15.5	58
1959	56.3	42.5	28.3	2.4	25.9	30.4	13.8	16.6	46
Average:									
1957-59	59.8	47.7	35.2	3.3	31.9	28.0	12.2	15.8	53
1960	55.9	44.2	31.4	2.7	28.7	27.2	11.7	15.5	51
1961	58.4	45.1	33.5	3.0	30.5	27.9	13.3	14.6	52
1962	58.8	45.2	32.7	2.6	30.1	28.7	13.6	15.1	51
1963	56.6	42.6	29.9	2.5	27.4	29.2	14.0	15.2	48
1964	55.9	42.2	29.3	2.5	26.8	29.1	13.7	15.4	48
1965	65.8	52.6	41.6	3.5	38.1	27.7	13.2	14.5	58
1966	74.0	57.9	45.9	3.7	42.2	31.8	16.1	15.7	57
1967	67.2	51.5	37.3	2.5	34.8	32.4	15.7	16.7	52
1968	67.4	51.7	36.7	2.2	34.5	32.9	15.7	17.2	51
1969	74.3	58.5	45.5	3.2	42.3	32.0	15.8	16.2	57
Average:									
1967-69	69.6	53.9	39.8	2.6	37.2	32.4	15.7	16.7	53
1970	78.0	58.7	42.9	3.4	39.5	38.5	19.3	19.2	51
1971									
1972									
1973									
1960:									
Jan.-Mar.	51.6	40.4	26.7	2.3	24.4	27.2	11.2	16.0	47
Apr.-June	55.4	44.4	31.6	2.7	28.9	26.5	11.0	15.5	52
July-Sept.	58.4	45.9	33.3	3.0	30.3	28.1	12.5	15.6	52
Oct.-Dec.	58.2	46.1	34.2	3.0	31.2	27.0	12.1	14.9	54
1961:									
Jan.-Mar.	58.8	45.9	34.6	3.5	31.1	27.7	12.9	14.8	53
Apr.-June	57.5	43.7	32.4	3.1	29.3	28.2	13.8	14.4	51
July-Sept.	59.3	46.3	35.1	2.8	32.3	27.0	13.0	14.0	54
Oct.-Dec.	58.0	44.2	31.9	2.6	29.3	28.7	13.8	14.9	51
1962:									
Jan.-Mar.	58.3	44.1	32.2	2.7	29.5	28.8	14.2	14.6	51
Apr.-June	57.0	43.4	31.0	2.5	28.5	28.5	13.6	14.9	50
July-Sept.	61.2	48.1	35.9	2.7	33.2	28.0	13.1	14.9	54
Oct.-Dec.	58.4	45.1	31.8	2.4	29.4	29.0	13.3	15.7	50
1963:									
Jan.-Mar.	56.8	41.6	28.6	2.4	26.2	30.6	15.2	15.4	46
Apr.-June	54.7	41.2	29.3	2.3	27.0	27.7	13.5	14.2	49
July-Sept.	59.1	45.7	33.4	2.6	30.8	28.3	13.4	14.9	52
Oct.-Dec.	56.0	41.9	28.2	2.4	25.8	30.2	14.1	16.1	46
1964:									
Jan.-Mar.	54.6	41.0	27.4	2.3	25.1	29.5	13.6	15.9	46
Apr.-June	54.7	40.8	28.5	2.5	26.0	28.7	13.9	14.8	48
July-Sept.	58.3	45.3	32.5	2.7	29.8	28.5	13.0	15.5	51
Oct.-Dec.	56.0	41.7	28.8	2.6	26.2	29.8	14.3	15.5	47

Continued--

Table 32.--Pork: Retail price, wholesale value, farm value, farm-retail spread, and farmer's share 1949-71--Continued

Period	Retail price per pound 1/	Wholesale value 2/	Gross farm value 3/	Byproduct allowance 4/	Net farm value 5/	Farm-retail spread: Total	Farm-retail spread: Wholesale-retail	Farm-retail spread: Farm-wholesale	Farmer's share
	Cents								Percent
1965:									
Jan.-Mar. ...	57.1	44.0	31.8	2.8	29.0	28.1	13.1	15.0	51
Apr.-June ...	61.4	49.7	39.3	3.4	35.9	25.5	11.7	13.8	58
July-Sept. ..	71.5	57.0	46.4	3.8	42.6	28.9	14.5	14.4	60
Oct.-Dec. ...	73.2	59.6	49.0	4.1	44.9	28.3	13.6	14.7	61
1966:									
Jan.-Mar. ...	79.2	62.9	51.9	4.4	47.5	31.7	16.3	15.4	60
Apr.-June ...	72.4	56.8	45.2	3.7	41.5	30.9	15.6	15.3	57
July-Sept. ..	74.8	58.5	47.5	3.7	43.8	31.0	16.3	14.7	59
Oct.-Dec. ...	69.8	53.3	39.0	3.0	36.0	33.8	16.5	17.3	52
1967:									
Jan.-Mar. ...	66.1	50.4	36.4	2.7	33.7	32.4	15.7	16.7	51
Apr.-June ...	66.4	52.1	39.4	2.8	36.6	29.8	14.3	15.5	55
July-Sept. ..	70.2	54.2	40.1	2.6	37.5	32.7	16.0	16.7	53
Oct.-Dec. ...	66.0	49.2	33.3	2.1	31.2	34.8	16.8	18.0	47
1968:									
Jan.-Mar. ...	66.4	50.4	35.9	2.2	33.7	32.7	16.0	16.7	51
Apr.-June ...	66.9	51.8	36.9	2.1	34.8	32.1	15.1	17.0	52
July-Sept. ..	69.1	53.5	39.0	2.2	36.8	32.3	15.6	16.7	53
Oct.-Dec. ...	67.3	50.9	34.7	2.1	32.6	34.7	16.4	18.3	48
1969:									
Jan.-Mar. ...	68.5	52.8	38.4	2.6	35.8	32.7	15.7	17.0	52
Apr.-June ...	71.9	56.5	43.5	2.9	40.6	31.3	15.4	15.9	56
July-Sept. ..	78.0	62.1	50.3	3.5	46.8	31.2	15.9	15.3	60
Oct.-Dec. ...	78.8	62.7	49.8	3.8	46.0	32.8	16.1	16.7	58
1970:									
Jan.-Mar. ...	81.8	64.7	52.3	4.2	48.1	33.7	17.1	16.6	59
Apr.-June ...	80.0	60.6	45.4	3.5	41.9	38.1	19.4	18.7	52
July-Sept. ..	79.0	58.0	43.0	3.3	39.7	39.3	21.0	18.3	50
Oct.-Dec. ...	71.3	51.5	30.8	2.4	28.4	42.9	19.8	23.1	40
1971:									
Jan.-Mar. ...	69.2	50.2	33.2	2.6	30.6	38.6	19.0	19.6	44
Apr.-June ...	68.8	49.9	32.5	2.6	29.9	38.9	18.9	20.0	43
July-Sept. ..	71.3	52.8	36.5	2.8	33.7	37.6	18.5	19.1	47
Oct.-Dec. ...									
1972:									
Jan.-Mar. ...									
Apr.-June ...									
July-Sept. ..									
Oct.-Dec. ...									
1973:									
Jan.-Mar. ...									
Apr.-June ...									
July-Sept. ..									
Oct.-Dec. ...									

1/ Weighted average price of loin cuts; ham (whole, center slices, butts, and shank ends); picnics (smoked); butts; spareribs; bacon squares; sausage; neckbones; forefeet; and pigtails.

2/ Weighted average wholesale price of products sold at retail multiplied by 1.07, the wholesale equivalent of 1 pound sold to consumers.

3/ Payment to farmer for quantity of live hog equivalent to 1 pound of pork sold to consumers--2.13 pounds in January-June 1949, gradually decreased to 1.97 pounds in 1969.

4/ Portion of gross farm value attributed to lard and other edible and inedible byproducts.

5/ Gross farm value minus byproduct allowance.

Table 33.--Lamb, Choice: Retail price, carcass value, farm value, farm-retail spread, and farmer's share of retail price, 1949-1970

Period	Retail price per pound 1/	Carcass value 2/	Gross farm value 3/	Byproduct allowance 4/	Net farm value 5/	Farm-retail spread: Total	Farm-retail spread: Carcass-retail	Farm-retail spread: Farm-carcass	Farmer's share
	Cents								Percent
1949	71.0	57.7	55.6	7.3	48.3	22.7	13.3	9.4	68
1950	73.2	59.4	61.0	9.6	51.4	21.8	13.8	8.0	70
1951	81.4	68.6	76.4	14.5	61.9	19.5	12.8	6.7	76
1952	79.2	64.6	60.6	8.0	52.6	26.6	14.6	12.0	66
1953	68.2	52.6	48.3	7.3	41.0	27.2	15.6	11.6	60
1954	68.8	51.9	47.4	7.1	40.3	28.5	16.9	11.6	59
1955	66.6	49.8	45.3	6.7	38.6	28.0	16.8	11.2	58
1956	67.1	50.4	45.5	6.6	38.9	28.2	16.7	11.5	58
1957	71.0	53.1	48.7	7.4	41.3	29.7	17.9	11.8	58
1958	77.3	57.5	51.3	6.1	45.2	32.1	19.8	12.3	58
1959	73.2	52.2	46.1	6.9	39.2	34.0	21.0	13.0	54
Average: 1957-59	73.8	54.3	48.7	6.8	41.9	31.9	19.6	12.4	57
1960	72.3	50.9	44.5	6.2	38.3	34.0	21.4	12.6	53
1961	68.4	46.4	39.0	5.3	33.7	34.7	22.0	12.7	49
1962	72.3	50.6	43.5	6.5	37.0	35.3	21.7	13.6	51
1963	74.2	50.4	44.7	6.5	38.2	36.0	23.8	12.2	51
1964	73.5	54.3	48.8	7.4	41.4	32.1	19.2	12.9	56
1965	79.2	60.4	55.6	8.2	47.4	31.8	18.8	13.0	60
1966	85.6	61.9	57.8	8.8	49.0	36.6	23.7	12.9	57
1967	87.2	62.8	54.4	5.8	48.6	38.6	24.4	14.2	56
1968	92.9	68.2	60.0	6.4	53.6	39.3	24.7	14.6	58
1969	100.7	74.8	66.9	7.6	59.3	41.4	25.9	15.5	59
Average: 1967-69	93.6	68.6	60.4	6.6	53.8	39.8	25.0	14.8	57
1970	105.5	73.8	65.1	6.4	58.7	46.8	31.7	15.1	56
1971									
1972									
1973									

1/ Weighted average price of cuts from Choice lamb carcass. 2/ Wholesale value of 1.18 pounds of Choice carcass--the quantity equivalent to 1 pound of lamb cuts sold to consumers. 3/ Payment to farmer for quantity of live lamb equivalent to 1 pound of lamb cuts sold to consumers; this quantity (in pounds) varies by months:

January ... 2.44	April ... 2.43	July 2.46	October ... 2.48
February .. 2.45	May 2.42	August 2.47	November .. 2.47
March 2.45	June 2.44	September . 2.47	December .. 2.45

4/ Portion of gross farm value attributed to fleece and other byproducts. 5/ Gross farm value minus byproduct allowance.

Table 34.--Dairy products: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, 1957-71 1/

Period	Retail cost	Farm value	Farm-retail spread	Farmer's share
	----------	Dollars	----------	Percent
1957	169.47	78.09	91.38	46
1958	172.06	77.08	94.98	45
1959	173.26	77.44	95.82	45
Average:				
1957-59	171.60	77.54	94.06	45
1960	177.07	78.90	98.17	45
1961	179.35	79.60	99.75	44
1962	178.12	77.30	100.82	43
1963	177.70	77.11	100.59	43
1964	178.57	77.91	100.66	44
1965	177.98	78.55	99.43	44
1966	189.29	88.21	101.08	47
1967	196.54	91.51	105.03	47
1968	201.78	95.04	106.74	47
1969	207.99	99.80	108.19	48
Average:				
1967-69	202.10	95.45	106.65	47
1970	217.94	103.79	114.15	48
1971				
1972				
1973				
1960:				
Jan.-Mar.	176.69	79.00	97.69	45
Apr.-Jun.	174.80	75.97	98.83	43
Jul.-Sept.	176.89	78.54	98.35	44
Oct.-Dec.	179.88	82.09	97.79	46
1961:				
Jan.-Mar.	179.99	81.00	98.99	45
Apr.-Jun.	178.10	77.91	100.19	44
Jul.-Sept.	179.05	79.13	99.92	44
Oct.-Dec.	180.27	80.36	99.91	45
1962:				
Jan.-Mar.	179.93	79.47	100.46	44
Apr.-Jun.	176.69	75.00	101.69	42
Jul.-Sept.	177.64	76.71	100.93	43
Oct.-Dec.	178.24	78.00	100.24	44
1963:				
Jan.-Mar.	177.28	77.49	99.79	44
Apr.-Jun.	176.18	74.91	101.27	43
Jul.-Sept.	177.86	76.98	100.88	43
Oct.-Dec.	179.49	79.07	100.42	44
1964:				
Jan.-Mar.	179.20	78.67	100.53	44
Apr.-Jun.	177.66	75.34	102.32	42
Jul.-Sept.	178.19	77.56	100.63	44
Oct.-Dec.	179.23	80.07	99.16	45
1965:				
Jan.-Mar.	178.57	78.54	100.03	44
Apr.-Jun.	176.82	75.84	100.98	43
Jul.-Sept.	177.57	78.40	99.17	44
Oct.-Dec.	178.94	81.43	97.51	45
1966:				
Jan.-Mar.	181.73	83.67	98.06	46
Apr.-Jun.	185.18	83.81	101.37	45
Jul.-Sept.	192.74	91.88	100.86	48
Oct.-Dec.	197.49	93.49	104.00	47
1967:				
Jan.-Mar.	195.97	91.19	104.78	47
Apr.-Jun.	195.64	90.60	105.04	46
Jul.-Sept.	196.44	91.56	104.88	47
Oct.-Dec.	198.12	92.53	105.59	47
1968:				
Jan.-Mar.	198.58	93.43	105.15	47
Apr.-Jun.	200.79	94.67	106.12	47
Jul.-Sept.	202.99	95.58	107.41	47
Oct.-Dec.	204.78	96.51	108.27	47
1969:				
Jan.-Mar.	205.30	97.85	107.45	48
Apr.-Jun.	206.36	98.94	107.42	48
Jul.-Sept.	208.74	100.03	108.71	48
Oct.-Dec.	211.56	102.36	109.20	48
1970:				
Jan.-Mar.	215.33	104.10	111.23	48
Apr.-Jun.	217.00	102.80	114.20	47
Jul.-Sept.	218.61	103.22	115.39	47
Oct.-Dec.	220.82	105.04	115.78	48
1971:				
Jan.-Mar.	222.12	105.91	116.21	48
Apr.-Jun.	223.94	105.42	118.52	47
Jul.-Sept.	225.58	104.90	120.68	47
Oct.-Dec.				
1972:				
Jan.-Mar.				
Apr.-Jun.				
Jul.-Sept.				
Oct.-Dec.				
1973:				
Jan.-Mar.				
Apr.-Jun.				
Jul.-Sept.				
Oct.-Dec.				

1/ Average quantities of dairy products bought annually per household in 1960-61 by families of wage earners and clerical workers and single workers living alone.

Table 35.--Dairy products: Indexes of retail cost, farm value, and farm-retail spread, 1947-70

(1967=100)

Year	Retail cost	Farm value	Farm-retail spread
1947	73	88	60
1948	81	96	67
1949	75	82	69
1950	74	80	68
1951	83	92	74
1952	86	98	76
1953	84	89	80
1954	82	82	82
1955	82	81	82
1956	84	84	83
1957	86	85	87
1958	88	84	90
1959	88	85	91
1960	90	86	93
1961	91	87	95
1962	91	84	96
1963	90	84	96
1964	91	85	96
1965	91	86	95
1966	96	96	96
1967	100	100	100
1968	103	104	102
1969	106	109	103
1970	111	113	109
1971			
1972			
1973			

Table 36.--Butter: Retail price, gross farm value, byproduct allowance, net farm value, farm-retail spread, and farmer's share of retail price, 1947-71

Period	Retail price per pound	Gross farm value 1/	Byproduct allowance 2/	Net farm value 3/	Farm-retail spread	Farmer's share
	Cents					Percent
1947	80.0	76.4	9.6	66.8	13.2	84
1948	86.2	86.5	17.1	69.4	16.8	81
1949	72.1	66.7	11.5	55.2	16.9	77
Average:						
1947-49	79.4	76.5	12.7	63.8	15.6	80
1950	72.5	67.3	11.4	55.9	16.6	77
1951	81.4	80.4	15.0	65.4	16.0	80
1952	85.0	85.1	18.2	66.9	18.1	79
1953	78.9	76.2	16.4	59.8	19.1	76
1954	72.1	68.3	16.0	52.3	19.8	73
1955	70.4	68.3	17.5	50.8	19.6	72
1956	71.7	70.5	17.9	52.6	19.1	73
1957	73.7	71.2	18.3	52.9	20.8	72
1958	73.5	68.7	16.6	52.1	21.4	71
1959	74.4	69.5	16.2	53.3	21.1	72
Average:						
1957-59	73.9	69.8	17.0	52.8	21.1	72
1960	73.9	70.5	17.1	53.4	20.5	72
1961	75.2	75.3	21.0	54.3	20.9	72
1962	73.9	72.1	20.1	52.0	21.9	70
1963	73.6	72.1	20.2	51.9	21.7	71
1964	74.1	73.3	20.7	52.6	21.5	71
1965	74.8	75.0	21.1	53.9	20.9	72
1966	81.2	88.4	28.2	60.2	21.0	74
1967	83.1	91.4	31.6	59.8	23.3	72
1968	83.6	95.2	35.9	59.3	24.3	71
1969	84.6	99.5	38.4	61.1	23.5	72
Average:						
1967-69	83.8	95.4	35.3	60.1	23.7	72
1970	86.6	105.5	43.6	61.9	24.7	71
1971						
1972						
1973						
1960:						
Jan.-Mar.	73.7	70.1	17.6	52.5	21.2	71
Apr.-Jun.	73.2	69.6	17.2	52.4	20.8	72
Jul.-Sept.	73.3	69.9	16.6	53.3	20.0	73
Oct.-Dec.	75.3	72.6	17.2	55.4	19.9	74
1961:						
Jan.-Mar.	75.4	74.2	18.8	55.4	20.0	73
Apr.-Jun.	75.1	75.4	21.8	53.6	21.5	71
Jul.-Sept.	75.1	75.6	21.7	53.9	21.2	72
Oct.-Dec.	75.1	75.9	21.6	54.3	20.8	72
1962:						
Jan.-Mar.	74.9	76.2	22.7	53.5	21.4	71
Apr.-Jun.	73.7	71.0	19.6	51.4	22.3	70
Jul.-Sept.	73.4	70.4	19.0	51.4	22.0	70
Oct.-Dec.	73.6	70.7	18.9	51.8	21.8	70
1963:						
Jan.-Mar.	73.5	71.8	20.0	51.8	21.7	70
Apr.-Jun.	73.4	71.8	20.4	51.4	22.0	70
Jul.-Sept.	73.5	72.1	20.0	52.1	21.4	71
Oct.-Dec.	74.0	72.6	20.3	52.3	21.7	71

Continued--

Table 36.--Butter: Retail price, gross farm value, byproduct allowance, net farm value, farm-retail spread, and farmer's share of retail price, 1947-71--Continued

Period	Retail price per pound	Gross farm value 1/	Byproduct allowance 2/	Net farm value 3/	Farm-retail spread	Farmer's share
	Cents					Percent
1964:						
Jan.-Mar.	73.7	73.1	20.8	52.3	21.4	71
Apr.-Jun.	73.7	72.6	21.0	51.6	22.1	70
Jul.-Sept.	73.7	72.9	20.5	52.4	21.3	71
Oct.-Dec.	75.4	74.8	20.6	54.2	21.2	72
1965:						
Jan.-Mar.	74.7	74.2	21.3	52.9	21.8	71
Apr.-Jun.	74.3	74.2	21.3	52.9	21.4	71
Jul.-Sept.	74.5	74.8	20.9	53.9	20.6	72
Oct.-Dec.	75.8	77.0	20.9	56.1	19.7	74
1966:						
Jan.-Mar.	76.9	79.8	23.3	56.5	20.4	73
Apr.-Jun.	78.1	84.4	26.8	57.6	20.5	74
Jul.-Sept.	84.1	96.5	31.7	64.8	19.3	77
Oct.-Dec.	85.9	92.9	31.2	61.7	24.2	72
1967:						
Jan.-Mar.	83.4	91.6	31.9	59.7	23.7	72
Apr.-Jun.	82.8	91.3	31.7	59.7	23.1	72
Jul.-Sept.	82.8	91.6	31.5	60.1	22.7	73
Oct.-Dec.	83.2	91.1	31.3	59.8	23.4	72
1968:						
Jan.-Mar.	83.4	91.6	31.6	60.0	23.4	72
Apr.-Jun.	83.5	96.5	37.6	58.9	24.6	71
Jul.-Sept.	83.5	96.8	37.4	59.4	24.1	71
Oct.-Dec.	83.8	96.0	37.1	58.9	24.9	70
1969:						
Jan.-Mar.	84.2	97.1	37.9	59.2	25.0	70
Apr.-Jun.	84.3	99.8	38.9	60.9	23.4	72
Jul.-Sept.	84.5	100.6	38.9	61.7	22.8	73
Oct.-Dec.	85.6	100.6	37.9	62.7	22.9	73
1970:						
Jan.-Mar.	85.6	102.8	39.7	63.1	22.5	74
Apr.-Jun.	86.4	105.6	45.0	60.6	25.8	70
Jul.-Sept.	86.9	106.7	45.2	61.5	25.4	71
Oct.-Dec.	87.5	107.0	44.6	62.4	25.1	71
1971:						
Jan.-Mar.	87.7	107.2	45.2	62.0	25.7	71
Apr.-Jun.	87.6	109.7	51.5	58.2	29.4	66
Jul.-Sept.	87.5	110.3	53.0	57.3	30.2	65
Oct.-Dec.						
1972:						
Jan.-Mar.						
Apr.-Jun.						
Jul.-Sept.						
Oct.-Dec.						
1973:						
Jan.-Mar.						
Apr.-Jun.						
Jul.-Sept.						
Oct.-Dec.						

1/ Payment to farmer for quantity of milk equivalent to 1 lb. of butter. 2/ Portion of gross farm valu attributed to nonfat dry milk and dry buttermilk. 3/ Gross farm value minus byproduct allowance.

Table 37.--Cheese, American process: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1950-71

Period	Retail price per 1/2 pound	Gross farm value 1/	Byproduct allowance 2/	Net farm value 3/	Farm-retail spread	Farmer's share
	Cents					Percent
1950	28.9	14.5	0.8	13.7	15.2	47
1951	33.0	17.7	.8	16.9	16.1	51
1952	33.9	18.5	.9	17.6	16.3	52
1953	33.9	16.2	.8	15.4	18.5	45
1954	32.4	14.6	.7	13.8	18.5	43
1955	32.2	14.5	.7	13.8	18.4	43
1956	32.2	14.9	.7	14.2	18.0	44
1957	32.5	15.1	.7	14.4	18.1	44
1958	32.5	14.8	.7	14.1	18.4	43
1959	32.6	14.8	.7	14.1	18.5	43
Average:						
1957-59	32.5	14.9	.7	14.2	18.3	44
1960	33.9	15.6	.7	14.9	19.0	44
1961	35.9	15.8	.7	15.1	20.8	42
1962	35.7	15.2	.7	14.5	21.2	41
1963	35.7	15.5	.7	14.8	20.9	41
1964	36.6	15.8	.7	15.1	21.5	41
1965	37.4	16.1	.8	15.3	22.1	41
1966	41.9	19.4	.8	18.6	23.3	44
1967	43.6	19.2	.8	18.4	25.2	42
1968	44.4	20.1	.8	19.3	25.1	43
1969	47.0	21.5	.8	20.7	26.3	44
Average:						
1967-69	45.0	20.3	.8	19.5	25.5	43
1970	50.4	23.0	.8	22.2	28.2	44
1971						
1972						
1973						
1960:						
Jan.-Mar.	33.4	15.6	.7	14.9	18.5	45
Apr.-June	33.5	14.8	.7	14.1	19.4	42
July-Sept.	33.6	15.2	.7	14.5	19.1	43
Oct.-Dec.	35.2	16.5	.7	15.8	19.4	45
1961:						
Jan.-Mar.	36.4	16.0	.8	15.2	21.2	42
Apr.-June	35.9	15.7	.7	15.0	20.9	42
July-Sept.	35.7	15.7	.7	15.0	20.7	42
Oct.-Dec.	35.8	15.9	.7	15.2	20.6	42
1962:						
Jan.-Mar.	35.8	15.8	.7	15.1	20.7	42
Apr.-June	35.8	14.9	.7	14.2	21.6	40
July-Sept.	35.6	14.8	.7	14.1	21.5	40
Oct.-Dec.	35.6	15.1	.7	14.4	21.2	40
1963:						
Jan.-Mar.	35.5	15.5	.7	14.8	20.7	42
Apr.-June	35.6	15.3	.7	14.6	21.0	41
July-Sept.	35.8	15.3	.7	14.6	21.2	41
Oct.-Dec.	36.1	15.8	.7	15.1	21.0	42

Continued--

Table 37.--Cheese, American process: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1950-71--Continued

Period	Retail price per 1/2 pound	Gross farm value 1/	Byproduct allowance 2/	Net farm value 3/	Farm-retail spread	Farmer's share
			Cents			Percent
1964:						
Jan.-Mar.	36.6	15.9	0.7	15.2	21.4	42
Apr.-June	36.5	15.4	.7	14.7	21.8	40
July-Sept.	36.4	15.6	.7	14.9	21.5	41
Oct.-Dec.	37.1	16.3	.7	15.6	21.5	42
1965:						
Jan.-Mar.	37.3	16.0	.7	15.3	22.0	41
Apr.-June	37.4	15.7	.7	15.0	22.4	40
July-Sept.	37.5	15.8	.7	15.1	22.4	40
Oct.-Dec.	37.6	16.8	.8	16.0	21.6	43
1966:						
Jan.-Mar.	39.3	18.4	.8	17.6	21.7	45
Apr.-June	41.2	18.4	.8	17.6	23.6	43
July-Sept.	42.6	20.5	.8	19.7	22.9	46
Oct.-Dec.	44.4	20.4	.9	19.5	24.9	44
1967:						
Jan.-Mar.	43.9	19.5	.8	18.7	25.2	43
Apr.-June	43.6	19.2	.8	18.4	25.2	42
July-Sept.	43.3	19.1	.8	18.3	25.0	42
Oct.-Dec.	43.5	19.1	.8	18.3	25.2	42
1968:						
Jan.-Mar.	43.7	19.7	.8	18.9	24.8	43
Apr.-June	44.2	20.3	.8	19.5	24.7	44
July-Sept.	44.8	20.1	.8	19.3	25.5	43
Oct.-Dec.	45.1	20.5	.8	19.7	25.4	43
1969:						
Jan.-Mar.	45.6	20.7	.8	19.9	25.7	44
Apr.-June	46.6	21.4	.8	20.6	26.0	44
July-Sept.	47.5	21.6	.8	20.8	26.7	44
Oct.-Dec.	48.4	22.4	.8	21.6	26.8	45
1970:						
Jan.-Mar.	49.5	23.0	.8	22.2	27.3	45
Apr.-June	50.3	22.9	.9	22.0	28.3	44
July-Sept.	50.5	22.9	.9	22.0	28.5	44
Oct.-Dec.	51.1	23.4	.9	22.5	28.6	44
1971:						
Jan.-Mar.	52.0	23.4	.9	22.5	29.5	43
Apr.-June	52.7	23.7	.8	22.9	29.8	43
July-Sept.	53.1	23.6	.8	22.8	30.3	43
Oct.-Dec.						
1972:						
Jan.-Mar.						
Apr.-June						
July-Sept.						
Oct.-Dec.						
1973:						
Jan.-Mar.						
Apr.-June						
July-Sept.						
Oct.-Dec.						

1/ Payment to farmer for quantity of milk equivalent to 1/2 lb. of American Process cheese. 2/ Portion of gross farm value attributed to cream separated from whey. 3/ Gross farm value minus byproduct allowance

Table 38.--Milk, evaporated: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-71

Period	Retail price per 14½-oz. can	Gross farm value 1/	Byproduct allowance 2/	Net farm value 3/	Farm-retail spread	Farmer's share
	Cents					Percent
1947	13.1	7.5	0.3	7.2	5.9	55
1948	14.8	8.4	.2	8.2	6.6	55
1949	13.1	6.1	.2	5.9	7.2	45
1950	12.7	6.3	.2	6.1	6.6	48
1951	14.4	7.7	.3	7.4	7.0	51
1952	14.9	8.1	.3	7.8	7.1	52
1953	14.6	6.9	.3	6.6	8.0	45
1954	13.9	6.2	.2	6.0	7.9	43
1955	13.6	6.3	.2	6.1	7.5	45
1956	13.9	6.4	.2	6.2	7.7	45
1957	14.4	6.4	.2	6.2	8.2	43
1958	14.8	6.3	.2	6.1	8.7	41
1959	14.9	6.4	.2	6.2	8.7	42
Average:						
1957-59	14.7	6.4	.2	6.2	8.5	42
1960	15.4	6.5	.2	6.3	9.1	41
1961	15.5	6.7	.2	6.5	9.0	42
1962	15.2	6.4	.2	6.2	9.0	41
1963	14.9	6.4	.2	6.2	8.7	42
1964	14.9	6.6	.2	6.4	8.5	43
1965	15.2	6.6	.1	6.5	8.7	43
1966	16.0	7.7	.1	7.6	8.4	48
1967	16.9	7.9	.1	7.8	9.1	46
1968	17.1	8.2	.1	8.1	9.0	47
1969	17.6	8.6	.1	8.5	9.1	48
Average:						
1967-69	17.2	8.2	.1	8.1	9.1	47
1970	18.7	8.9	.1	8.8	9.9	47
1971						
1972						
1973						
1960:						
Jan.-Mar.	15.4	6.6	.2	6.4	9.0	42
Apr.-June	15.4	6.3	.2	6.1	9.3	40
July-Sept.	15.4	6.4	.2	6.2	9.2	40
Oct.-Dec.	15.4	6.7	.2	6.5	8.9	42
1961:						
Jan.-Mar.	15.4	6.7	.2	6.5	8.9	42
Apr.-June	15.5	6.7	.2	6.5	9.0	42
July-Sept.	15.5	6.6	.2	6.4	9.1	41
Oct.-Dec.	15.4	6.6	.2	6.4	9.0	42
1962:						
Jan.-Mar.	15.4	6.6	.2	6.4	9.0	42
Apr.-June	15.2	6.3	.2	6.1	9.1	40
July-Sept.	15.0	6.2	.2	6.0	9.0	40
Oct.-Dec.	15.0	6.3	.2	6.1	8.9	41
1963:						
Jan.-Mar.	14.9	6.4	.2	6.2	8.7	42
Apr.-June	14.9	6.4	.2	6.2	8.7	42
July-Sept.	14.9	6.3	.2	6.1	8.8	41
Oct.-Dec.	14.9	6.5	.2	6.3	8.6	42

Continued--

Table 38.--Milk, evaporated: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-71--Continued

Period	Retail price per 14½-oz. can	Gross farm value 1/	Byproduct allowance 2/	Net farm value 3/	Farm-retail spread	Farmer's share
	Cents					Percent
1964:						
Jan.-Mar	14.9	6.7	0.2	6.5	8.4	44
Apr.-June	14.9	6.5	.2	6.3	8.6	42
July-Sept.	14.8	6.5	.2	6.3	8.5	43
Oct.-Dec.	15.0	6.7	.2	6.5	8.5	43
1965:						
Jan.-Mar.	15.2	6.8	.2	6.6	8.6	43
Apr.-June	15.2	6.5	.1	6.4	8.8	42
July-Sept.	15.2	6.5	.1	6.4	8.8	42
Oct.-Dec.	15.2	6.8	.2	6.6	8.6	43
1966:						
Jan.-Mar.	15.3	7.4	.2	7.2	8.1	47
Apr.-June	15.6	7.3	.0	7.3	8.3	47
July-Sept.	16.2	8.1	.1	8.0	8.2	49
Oct.-Dec.	16.8	8.1	.2	7.9	8.9	47
1967:						
Jan.-Mar.	17.0	8.1	.2	7.9	9.1	46
Apr.-June	16.9	7.9	.1	7.8	9.1	46
July-Sept.	16.8	7.9	.1	7.8	9.0	46
Oct.-Dec.	16.8	7.9	.2	7.7	9.1	46
1968:						
Jan.-Mar.	16.8	8.1	.1	8.0	8.8	48
Apr.-June	17.0	8.2	.0	8.2	8.8	48
July-Sept.	17.3	8.1	.0	8.1	9.2	47
Oct.-Dec.	17.4	8.2	.1	8.1	9.3	47
1969:						
Jan.-Mar.	17.4	8.6	.2	8.4	9.0	48
Apr.-June	17.6	8.5	.0	8.5	9.1	48
July-Sept.	17.7	8.5	.0	8.5	9.2	48
Oct.-Dec.	17.8	8.7	.2	8.5	9.3	48
1970:						
Jan.-Mar.	18.1	9.0	.2	8.8	9.3	49
Apr.-June	18.5	8.9	.0	8.9	9.6	48
July-Sept.	19.0	8.9	.1	8.8	10.2	46
Oct.-Dec.	19.3	8.9	.2	8.7	10.6	45
1971:						
Jan.-Mar.	19.3	9.2	.2	9.0	10.3	47
Apr.-June	19.6	9.2	0	9.2	10.4	47
July-Sept.	20.2	9.2	0	9.2	11.0	46
Oct.-Dec.						
1972:						
Jan.-Mar.						
Apr.-June						
July-Sept.						
Oct.-Dec.						
1973:						
Jan.-Mar.						
Apr.-June						
July-Sept.						
Oct.-Dec.						

1/ Payment to farmer for milk equivalent to 14½-oz. can of evaporated milk. 2/ Portion of gross farm value attributed to cream separated from milk when fat content is higher than required minimum. 3/ Gross farm value minus byproduct allowance.

Table 39.--Ice cream: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1951-71

Period	Retail price per ½ gallon	Farm value 1/	Farm-retail spread	Farmer's share
	Cents	Cents	Cents	Percent
1951	88.9	27.1	61.8	30
1952	89.6	28.0	61.6	31
1953	88.9	24.3	64.6	27
1954	87.2	21.8	65.4	25
1955	85.2	21.6	63.6	25
1956	84.4	22.3	62.1	26
1957	85.8	22.5	63.3	26
1958	86.3	22.0	64.3	25
1959	86.0	22.2	63.8	26
Average:				
1957-59	86.0	22.2	63.8	26
1960	84.7	22.4	62.3	26
1961	84.3	22.5	61.8	27
1962	83.2	21.4	61.8	26
1963	82.1	21.5	60.6	26
1964	80.2	22.1	58.1	28
1965	78.1	22.2	55.9	28
1966	79.5	25.4	54.1	32
1967	81.0	25.5	55.5	31
1968	80.7	26.1	54.6	32
1969	81.2	27.3	53.9	34
Average:				
1967-69	81.0	26.3	54.7	32
1970	84.5	28.5	56.0	34
1971				
1972				
1973				
1960:				
Jan.-Mar.	85.6	22.3	63.3	26
Apr.-June	85.0	21.9	63.1	26
July-Sept.	84.4	22.2	62.2	26
Oct.-Dec.	83.8	23.3	60.5	28
1961:				
Jan.-Mar.	84.7	22.9	61.8	27
Apr.-June	84.5	22.4	62.1	27
July-Sept.	84.0	22.1	61.9	26
Oct.-Dec.	84.1	22.5	61.6	27
1962:				
Jan.-Mar.	83.8	22.1	61.7	26
Apr.-June	83.4	21.1	62.3	25
July-Sept.	82.7	21.0	61.7	25
Oct.-Dec.	82.7	21.4	61.3	26
1963:				
Jan.-Mar.	82.1	21.6	60.5	26
Apr.-June	81.8	21.4	60.4	26
July-Sept.	82.4	21.5	60.9	26
Oct.-Dec.	82.4	21.9	60.5	27
1964:				
Jan.-Mar.	81.3	22.1	59.2	27
Apr.-June	80.9	21.7	59.2	27
July-Sept.	79.6	21.9	57.7	28
Oct.-Dec.	78.9	22.5	56.4	29
1965:				
Jan.-Mar.	78.9	22.0	56.9	28
Apr.-June	78.6	21.8	56.8	28
July-Sept.	77.5	21.9	55.6	28
Oct.-Dec.	77.1	23.0	54.1	30
1966:				
Jan.-Mar.	77.2	24.0	53.2	31
Apr.-June	77.7	24.3	53.4	31
July-Sept.	80.8	26.9	53.9	33
Oct.-Dec.	82.1	26.4	55.7	32
1967:				
Jan.-Mar.	81.6	25.7	55.9	31
Apr.-June	81.2	25.4	55.8	31
July-Sept.	80.9	25.4	55.5	31
Oct.-Dec.	80.2	25.4	54.8	32
1968:				
Jan.-Mar.	80.5	25.9	54.6	32
Apr.-June	80.6	26.1	54.5	32
July-Sept.	80.7	26.1	54.6	32
Oct.-Dec.	81.1	26.4	54.7	33
1969:				
Jan.-Mar.	81.1	26.5	54.6	33
Apr.-June	80.4	27.1	53.3	34
July-Sept.	81.1	27.4	53.7	34
Oct.-Dec.	82.2	28.3	53.9	34
1970:				
Jan.-Mar.	83.3	28.9	54.4	35
Apr.-June	84.1	27.8	56.3	33
July-Sept.	85.2	28.1	57.1	33
Oct.-Dec.	85.3	29.0	56.3	34
1971:				
Jan.-Mar.	85.4	28.9	56.5	34
Apr.-June	84.7	27.8	56.9	33
July-Sept.	85.9	27.5	58.4	32
Oct.-Dec.				
1972:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				
1973:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				

1/ Payment to farmer for milk and sugar equivalent to 1/2 gallon of ice cream less portion of gross payment attributed to byproducts.

Table 40.--Milk, fresh, sold in stores: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-71

Period	Retail price per ½ gallon	Farm value 1/	Farm-retail spread	Farmer's share
	Cents	Cents	Cents	Percent
1947	34.5	20.7	13.8	60
1948	38.4	22.8	15.6	59
1949	36.7	20.8	15.9	57
Average:				
1947-49	36.5	21.4	15.1	59
1950	35.7	19.8	15.9	55
1951	40.2	22.6	17.6	56
1952	42.1	24.0	18.1	57
1953	41.8	22.4	19.4	54
1954	41.3	20.7	20.6	50
1955	41.5	20.7	20.8	50
1956	42.8	21.4	21.4	50
1957	44.5	22.0	22.5	49
1958	45.5	21.8	23.7	48
1959	46.1	21.8	24.3	47
Average:				
1957-59	45.4	21.9	23.5	48
1960	47.4	22.2	25.2	47
1961	47.5	22.3	25.2	47
1962	47.4	21.9	25.5	46
1963	47.4	21.7	25.7	46
1964	47.6	21.8	25.8	46
1965	46.9	21.8	25.1	46
1966	49.7	23.9	25.8	48
1967	51.6	25.4	26.2	49
1968	53.7	26.7	27.0	50
1969	55.1	27.7	27.4	50
Average:				
1967-69	53.5	26.6	26.9	50
1970	57.4	28.8	28.6	50
1971				
1972				
1973				
1960:				
Jan.-Mar.	47.4	22.3	25.1	47
Apr.-June	46.5	21.3	25.2	46
July-Sept.	47.5	22.2	25.3	47
Oct.-Dec.	48.3	23.0	25.3	48
1961:				
Jan.-Mar.	47.8	22.7	25.1	47
Apr.-June	47.0	21.6	25.4	46
July-Sept.	47.4	22.2	25.2	47
Oct.-Dec.	48.0	22.7	25.3	47
1962:				
Jan.-Mar.	47.9	22.4	25.5	47
Apr.-June	46.7	21.0	25.7	45
July-Sept.	47.3	21.9	25.4	46
Oct.-Dec.	47.6	22.3	25.3	47
1963:				
Jan.-Mar.	47.4	21.9	25.5	46
Apr.-June	46.8	20.8	26.0	44
July-Sept.	47.4	21.7	25.7	46
Oct.-Dec.	48.1	22.4	25.7	47
1964:				
Jan.-Mar.	47.8	22.1	25.7	46
Apr.-June	47.2	20.8	26.4	44
July-Sept.	47.5	21.7	25.8	46
Oct.-Dec.	47.8	22.4	25.4	47
1965:				
Jan.-Mar.	47.2	21.9	25.3	46
Apr.-June	46.3	20.8	25.5	45
July-Sept.	46.8	21.9	24.9	47
Oct.-Dec.	47.3	22.6	24.7	48
1966:				
Jan.-Mar.	47.9	22.8	25.1	48
Apr.-June	48.6	22.6	26.0	46
July-Sept.	50.6	24.5	26.1	48
Oct.-Dec.	51.7	25.7	26.0	50
1967:				
Jan.-Mar.	51.2	25.1	26.1	49
Apr.-June	51.1	25.1	26.0	49
July-Sept.	51.6	25.5	26.1	49
Oct.-Dec.	52.4	26.0	26.4	50
1968:				
Jan.-Mar.	52.7	26.1	26.6	50
Apr.-June	53.4	26.5	26.9	50
July-Sept.	54.1	27.0	27.1	50
Oct.-Dec.	54.6	27.3	27.3	50
1969:				
Jan.-Mar.	54.5	27.4	27.1	50
Apr.-June	54.6	27.4	27.2	50
July-Sept.	55.3	27.7	27.6	50
Oct.-Dec.	55.9	28.3	27.6	51
1970:				
Jan.-Mar.	57.2	28.7	28.5	50
Apr.-June	57.2	28.6	28.6	50
July-Sept.	57.4	28.7	28.7	50
Oct.-Dec.	58.0	29.2	28.8	50
1971:				
Jan.-Mar.	58.3	29.5	28.8	51
Apr.-June	59.0	29.6	29.4	50
July-Sept.	59.2	29.5	29.7	50
Oct.-Dec.				
1972:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				
1973:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				

1/ Payment to farmers for 4.39 lb. of milk eligible for fluid distribution.

Table 41.--Milk, fresh, home-delivered: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-71

Period	Retail price per ½ gallon	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1947	36.7	20.7	16.0	56
1948	40.8	22.8	18.0	56
1949	39.4	20.8	18.6	53
Average:				
1947-49	39.0	21.4	17.6	55
1950	38.6	19.8	18.8	51
1951	43.2	22.6	20.6	52
1952	45.3	24.0	21.3	53
1953	45.2	22.4	22.8	50
1954	44.7	20.7	24.0	46
1955	45.3	20.7	24.6	46
1956	47.2	21.4	25.8	45
1957	49.0	22.0	27.0	45
1958	49.9	21.8	28.1	44
1959	50.3	21.8	28.5	43
Average:				
1957-59	49.7	21.9	27.8	44
1960	51.9	22.2	29.7	43
1961	52.6	22.3	30.3	42
1962	52.6	21.9	30.7	42
1963	52.7	21.7	31.0	41
1964	53.3	21.8	31.5	41
1965	53.2	21.8	31.4	41
1966	56.0	23.9	32.1	43
1967	58.6	25.4	33.2	43
1968	60.6	26.7	33.9	44
1969	62.9	27.7	35.2	44
Average:				
1967-69	60.7	26.6	34.1	44
1970	65.9	28.8	37.1	44
1971				
1972				
1973				
1960:				
Jan.-Mar.	51.7	22.3	29.4	43
Apr.-June	51.0	21.3	29.7	42
July-Sept.	52.0	22.2	29.8	43
Oct.-Dec.	52.8	23.0	29.8	44
1961:				
Jan.-Mar.	52.5	22.7	29.8	43
Apr.-June	51.9	21.6	30.3	42
July-Sept.	52.7	22.2	30.5	42
Oct.-Dec.	53.3	22.7	30.6	43
1962:				
Jan.-Mar.	53.2	22.4	30.8	42
Apr.-June	51.8	21.0	30.8	41
July-Sept.	52.7	21.9	30.8	42
Oct.-Dec.	52.8	22.3	30.5	42
1963:				
Jan.-Mar.	52.6	21.9	30.7	42
Apr.-June	52.1	20.8	31.3	40
July-Sept.	52.8	21.7	31.1	41
Oct.-Dec.	53.5	22.4	31.1	42
1964:				
Jan.-Mar.	53.5	22.1	31.4	41
Apr.-June	52.9	20.8	32.1	39
July-Sept.	53.6	21.7	31.9	40
Oct.-Dec.	53.4	22.4	31.0	42
1965:				
Jan.-Mar.	53.3	21.9	31.4	41
Apr.-June	52.6	20.8	31.8	40
July-Sept.	53.1	21.9	31.2	41
Oct.-Dec.	53.7	22.6	31.1	42
1966:				
Jan.-Mar.	54.2	22.8	31.4	42
Apr.-June	55.0	22.6	32.4	41
July-Sept.	56.9	24.5	32.4	43
Oct.-Dec.	58.0	25.7	32.3	44
1967:				
Jan.-Mar.	57.8	25.1	32.7	43
Apr.-June	58.2	25.1	33.1	43
July-Sept.	58.9	25.5	33.4	43
Oct.-Dec.	59.6	26.0	33.6	44
1968:				
Jan.-Mar.	59.4	26.1	33.3	44
Apr.-June	60.2	26.5	33.7	44
July-Sept.	61.1	27.0	34.1	44
Oct.-Dec.	61.9	27.3	34.6	44
1969:				
Jan.-Mar.	62.1	27.4	34.7	44
Apr.-June	62.3	27.4	34.9	44
July-Sept.	63.1	27.7	35.4	44
Oct.-Dec.	64.1	28.3	35.8	44
1970:				
Jan.-Mar.	65.1	28.7	36.4	44
Apr.-June	65.6	28.6	37.0	44
July-Sept.	66.0	28.7	37.3	43
Oct.-Dec.	66.9	29.2	37.7	44
1971:				
Jan.-Mar.	67.1	29.5	37.6	44
Apr.-June	67.6	29.6	38.0	44
July-Sept.	67.9	29.5	38.4	43
Oct.-Dec.				
1972:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				
1973:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				

1/ Payment to farmer for 4.39 lb. of milk eligible for fluid distribution.

Table 42.--Chickens, frying (ready-to-cook): Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1950-71

Period	Retail price per pound	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1950	57.0	38.2	18.8	67
1951	59.7	39.8	19.9	67
1952	60.0	40.5	19.5	68
1953	58.4	37.8	20.6	65
1954	52.5	32.2	20.3	61
1955	54.3	35.4	18.9	65
1956	47.3	27.5	19.8	58
1957	46.0	26.4	19.6	57
1958	45.3	25.9	19.4	57
1959	41.1	22.5	18.6	55
Average:				
1957-59	44.1	24.9	19.2	56
1960	41.6	23.8	17.8	57
1961	37.3	19.8	17.5	53
1962	39.4	21.5	17.9	55
1963	38.6	20.5	18.1	53
1964	37.8	20.1	17.7	53
1965	39.0	21.0	18.0	54
1966	41.2	21.7	19.5	53
1967	38.1	18.6	19.5	49
1968	39.8	20.0	19.8	50
1969	42.1	21.3	20.8	51
Average:				
1967-69	40.0	20.0	20.0	50
1970	40.6	18.5	22.1	46
1971				
1972				
1973				
1960:				
Jan.-Mar.	42.3	24.8	17.5	59
Apr.-June	42.3	24.7	17.6	58
July-Sept.	42.0	23.6	18.4	56
Oct.-Dec.	40.0	22.1	17.9	55
1961:				
Jan.-Mar.	41.1	23.8	17.3	58
Apr.-June	37.8	19.6	18.2	52
July-Sept.	35.5	17.3	18.2	49
Oct.-Dec.	34.9	18.5	16.4	53
1962:				
Jan.-Mar.	40.6	23.1	17.5	57
Apr.-June	38.6	20.3	18.3	53
July-Sept.	39.3	22.0	17.3	56
Oct.-Dec.	39.1	20.5	18.6	52
1963:				
Jan.-Mar.	39.3	21.6	17.7	55
Apr.-June	38.6	20.9	17.7	54
July-Sept.	38.4	20.0	18.4	52
Oct.-Dec.	38.3	19.6	18.7	51
1964:				
Jan.-Mar.	37.5	20.1	17.4	54
Apr.-June	37.3	19.4	17.9	52
July-Sept.	38.2	20.8	17.4	54
Oct.-Dec.	38.2	20.0	18.2	52
1965:				
Jan.-Mar.	38.3	20.9	17.4	55
Apr.-June	39.0	21.5	17.5	55
July-Sept.	40.2	21.2	19.0	53
Oct.-Dec.	38.5	20.4	18.1	53
1966:				
Jan.-Mar.	41.8	23.2	18.6	56
Apr.-June	42.4	22.6	19.8	53
July-Sept.	42.1	22.2	19.9	53
Oct.-Dec.	38.6	18.8	19.8	49
1967:				
Jan.-Mar.	38.1	20.0	18.1	52
Apr.-June	38.1	18.3	19.8	48
July-Sept.	38.8	18.9	19.9	49
Oct.-Dec.	37.2	17.1	20.1	46
1968:				
Jan.-Mar.	39.2	19.7	19.5	50
Apr.-June	40.0	20.5	19.5	51
July-Sept.	40.6	21.0	19.6	52
Oct.-Dec.	39.3	18.8	20.5	48
1969:				
Jan.-Mar.	40.0	20.4	19.6	51
Apr.-June	41.8	21.5	20.3	51
July-Sept.	44.4	23.2	21.2	52
Oct.-Dec.	42.4	20.2	22.2	48
1970:				
Jan.-Mar.	42.1	20.5	21.6	49
Apr.-June	40.9	18.5	22.4	45
July-Sept.	40.2	18.1	22.1	45
Oct.-Dec.	39.2	17.0	22.2	43
1971:				
Jan.-Mar.	40.0	19.4	20.6	48
Apr.-June	41.1	19.5	21.6	47
July-Sept.	42.3	20.9	21.4	49
Oct.-Dec.				
1972:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				
1973:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				

1/ Payment to farmer for quantity of live commercial broiler equivalent to 1 lb. of frying chicken sold to consumers--1.40 lb. in 1950-59; 1.41 lb. from 1960 on.

Table 43.--Turkeys (ready-to-cook): Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1964-70

Period	Retail price per pound	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1964	46.8	27.2	19.6	58
1965	48.1	28.9	19.2	60
1966	50.4	29.9	20.5	59
1967	48.7	25.5	23.2	52
1968	46.4	25.1	21.3	54
1969	49.1	27.5	21.6	56
Average: 1967-69	48.1	26.0	22.1	54
1970	56.1	30.2	25.9	54
1971				
1972				
1973				

1/ Payment to farmer for 1.28 lb. of live turkey.

Table 44.--Eggs, Grade A large: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1953-71

Period	Retail price per dozen	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1953	69.9	49.0	20.9	70
1954	58.4	37.5	20.9	64
1955	60.3	40.8	19.5	68
1956	60.0	40.4	19.6	67
1957	57.1	37.4	19.7	65
1958	60.1	39.5	20.6	66
1959	52.6	31.4	21.2	60
Average:				
1957-59	56.6	36.1	20.5	64
1960	56.9	37.1	19.8	65
1961	56.8	35.9	20.9	63
1962	53.5	32.2	21.3	60
1963	54.5	33.4	21.1	61
1964	53.8	32.9	20.9	61
1965	52.3	32.2	20.1	62
1966	59.3	39.2	20.1	66
1967	49.2	29.0	20.2	59
1968	52.8	32.4	20.4	61
1969	62.0	41.3	20.7	67
Average:				
1967-69	54.7	34.2	20.5	63
1970	61.2	38.3	22.9	63
1971				
1972				
1973				
1960:				
Jan.-Mar.	49.2	29.1	20.1	59
Apr.-June	53.0	33.7	19.3	64
July-Sept.	56.5	36.1	20.4	64
Oct.-Dec.	69.0	49.5	19.5	72
1961:				
Jan.-Mar.	60.4	38.8	21.6	64
Apr.-June	51.8	31.0	20.8	60
July-Sept.	56.6	36.6	20.0	65
Oct.-Dec.	58.5	37.1	21.4	63
1962:				
Jan.-Mar.	55.5	33.7	21.8	61
Apr.-June	48.3	26.7	21.6	55
July-Sept.	52.3	31.9	20.4	61
Oct.-Dec.	58.0	36.4	21.6	63
1963:				
Jan.-Mar.	57.1	34.9	22.2	61
Apr.-June	50.1	29.4	20.7	59
July-Sept.	53.5	33.9	19.6	63
Oct.-Dec.	57.2	35.7	21.5	62
1964:				
Jan.-Mar.	56.9	35.4	21.5	62
Apr.-June	49.0	28.7	20.3	59
July-Sept.	54.0	33.6	20.4	62
Oct.-Dec.	55.3	33.9	21.4	61
1965:				
Jan.-Mar.	49.1	28.5	20.6	58
Apr.-June	48.9	28.6	20.3	58
July-Sept.	51.9	32.6	19.3	63
Oct.-Dec.	59.3	39.2	20.1	66
1966:				
Jan.-Mar.	60.4	40.4	20.0	67
Apr.-June	54.9	34.6	20.3	63
July-Sept.	59.0	39.6	19.4	67
Oct.-Dec.	62.7	42.4	20.3	68
1967:				
Jan.-Mar.	54.0	34.2	19.8	63
Apr.-June	45.9	25.6	20.3	56
July-Sept.	48.4	28.8	19.6	60
Oct.-Dec.	48.4	27.6	20.8	57
1968:				
Jan.-Mar.	48.2	27.5	20.7	57
Apr.-June	47.2	27.8	19.4	59
July-Sept.	54.9	35.3	19.6	64
Oct.-Dec.	61.0	39.1	21.9	64
1969:				
Jan.-Mar.	63.5	41.6	21.9	66
Apr.-June	55.2	34.4	20.8	62
July-Sept.	59.7	40.2	19.5	67
Oct.-Dec.	69.6	49.1	20.5	71
1970:				
Jan.-Mar.	74.9	50.2	24.7	67
Apr.-June	53.9	31.1	22.8	58
July-Sept.	58.9	37.5	21.4	64
Oct.-Dec.	57.1	34.5	22.6	60
1971:				
Jan.-Mar.	56.5	32.9	23.6	58
Apr.-June	51.1	29.0	22.1	57
July-Sept.	51.5	29.4	22.1	57
Oct.-Dec.				
1972:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				
1973:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				

1/ Payment to farmer for 1.03 dozen eggs.

Table 45.--Bakery and cereal products: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, 1957-71 1/

Period	Retail cost	Farm value 2/		Farm-retail spread	Farmer's share	
		Grain	All ingredients		Grain	All ingredients
	Dollars				Percent	
1957	148.37	21.56	27.86	120.51	15	19
1958	150.93	19.78	25.76	125.17	13	17
1959	151.39	19.25	24.48	126.91	13	16
Average:						
1957-59	150.23	20.20	26.03	124.20	14	17
1960	153.22	19.45	24.84	128.38	13	16
1961	155.40	19.90	26.07	129.33	13	17
1962	157.78	21.34	26.88	130.90	14	17
1963	159.17	21.05	26.70	132.47	13	17
1964	160.57	21.23	26.93	133.64	13	17
1965	161.39	22.18	27.76	133.63	14	17
1966	167.21	24.34	30.58	136.63	15	18
1967	170.73	23.37	29.32	141.41	14	17
1968	171.48	21.85	27.60	143.88	13	16
1969	175.65	21.33	27.68	147.97	12	16
Average:						
1967-69	172.62	22.18	28.23	144.39	13	16
1970	184.84	22.10	29.35	155.49	12	16
1971						
1972						
1973						
1960:						
Jan.-Mar.	152.03	19.73	24.82	127.21	13	16
Apr.-June	152.22	19.82	25.18	127.04	13	17
July-Sept.	153.83	19.03	24.55	129.28	12	16
Oct.-Dec.	154.79	19.21	24.80	129.99	12	16
1961:						
Jan.-Mar.	154.99	19.70	26.03	128.96	13	17
Apr.-June	155.33	19.31	25.86	129.47	12	17
July-Sept.	155.08	20.17	26.09	128.99	13	17
Oct.-Dec.	156.19	20.43	26.29	129.90	13	17
1962:						
Jan.-Mar.	157.04	20.57	26.55	130.49	13	17
Apr.-June	157.31	21.87	27.44	129.87	14	17
July-Sept.	158.13	21.59	26.79	131.34	14	17
Oct.-Dec.	158.63	21.34	26.73	131.90	13	17
1963:						
Jan.-Mar.	159.48	21.70	27.38	132.10	14	17
Apr.-June	159.42	21.90	27.54	131.88	14	17
July-Sept.	159.19	19.70	25.21	133.98	12	16
Oct.-Dec.	158.60	20.92	26.67	131.93	13	17
1964:						
Jan.-Mar.	159.70	21.09	26.74	132.96	13	17
Apr.-June	160.02	19.61	25.24	134.78	12	16
July-Sept.	160.67	22.15	27.82	132.85	14	17
Oct.-Dec.	161.88	22.08	27.93	133.95	14	17
1965:						
Jan.-Mar.	161.61	22.18	27.99	133.62	14	17
Apr.-June	161.41	21.68	27.31	134.10	13	17
July-Sept.	161.17	22.32	27.75	133.42	14	17
Oct.-Dec.	161.34	22.53	28.01	133.33	14	17

Continued--

Table 45.--Bakery and cereal products: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, 1957-71 1/--Continued

Period	Retail cost	Farm value 2/		Farm-retail spread	Farmer's share	
		Grain	All ingredients		Grain	All ingredients
	Dollars				Percent	
1966:						
Jan.-Mar.	163.70	22.98	28.90	134.80	14	18
Apr.-June	164.98	23.88	30.07	134.91	14	18
July-Sept. ...	168.63	26.10	32.62	136.01	15	19
Oct.-Dec.	171.54	24.39	30.73	140.81	14	18
1967:						
Jan.-Mar.	171.02	24.11	30.35	140.67	14	18
Apr.-June	170.87	24.20	30.24	140.63	14	18
July-Sept. ...	170.44	22.80	28.58	141.86	13	17
Oct.-Dec.	170.59	22.38	28.12	142.47	13	17
1968:						
Jan.-Mar.	170.69	22.77	28.65	142.04	13	17
Apr.-June	170.77	22.17	28.08	142.69	13	16
July-Sept. ...	171.78	21.19	26.93	144.85	12	16
Oct.-Dec.	172.67	21.25	27.07	145.60	12	16
1969:						
Jan.-Mar.	173.32	21.26	27.50	145.82	12	16
Apr.-June	174.75	21.53	27.90	146.85	12	16
July-Sept. ...	176.11	21.00	27.35	148.76	12	16
Oct.-Dec.	178.44	21.52	27.97	150.47	12	16
1970:						
Jan.-Mar.	181.53	21.62	28.61	152.92	12	16
Apr.-June	183.69	21.92	29.22	154.47	12	16
July-Sept. ...	185.89	22.09	29.28	156.61	12	16
Oct.-Dec.	188.27	22.76	30.28	157.99	12	16
1971:						
Jan.-Mar.	190.46	22.65	30.08	160.38	12	16
Apr.-June	192.63	23.10	30.42	162.21	12	16
July-Sept. ...	193.26	22.06	29.68	163.58	11	15
Oct.-Dec.						
1972:						
Jan.-Mar.						
Apr.-June						
July-Sept. ...						
Oct.-Dec.						
1973:						
Jan.-Mar.						
Apr.-June						
July-Sept. ...						
Oct.-Dec.						

1/ Average quantities bought annually per household in 1960-61 by families of wage earners and clerical workers and workers living alone.

2/ Starting July 1964, farm value and the farmer's share for wheat-using products are based on the market price for wheat plus the cost of the marketing certificate to millers. This cost equals the value of the domestic marketing certificate received by farmers complying with the U.S. wheat program.

Table 46.--Bakery and cereal products: Indexes of retail cost, farm value, and farm-retail spread, 1947-70

(1967=100)

Year	Retail cost	Farm value	Farm-retail spread
1947	64	114	54
1958	70	108	62
1949	69	88	65
1950	70	91	66
1951	77	101	71
1952	78	96	74
1953	80	97	76
1954	82	100	78
1955	83	94	80
1956	84	94	82
1957	87	95	85
1958	88	88	89
1959	89	83	90
1960	90	85	91
1961	91	89	91
1962	92	92	93
1963	93	91	94
1964	94	92	95
1965	95	95	94
1966	98	104	97
1967	100	100	100
1968	100	94	102
1969	103	94	105
1970	108	100	110
1971			
1972			
1973			

Table 47.--Flour, general-purpose, white: Retail price, farm value, byproduct allowance, farm-retail spread, and farmer's share of retail price, 1947-70

Period	Retail price per 5 pounds	Gross farm value 1/	Byproduct allowance 2/	Net farm value 3/	Farm-retail spread	Farmer's share
	Cents	Cents	Cents	Cents	Cents	Percent
1947	48.2	27.4	4.7	22.7	25.5	47
1948	49.0	25.0	4.8	20.2	28.8	41
1949	47.9	22.3	3.7	18.6	29.3	39
Average: 1947-49	48.4	24.9	4.4	20.5	27.9	42
1950	49.1	22.9	3.7	19.2	29.9	39
1951	51.9	24.7	4.4	20.3	31.6	39
1952	52.3	24.6	4.7	19.9	32.4	38
1953	52.3	23.2	3.6	19.6	32.7	37
1954	53.2	23.8	3.2	20.6	32.6	39
1955	53.1	23.6	3.0	20.6	32.5	39
1956	52.8	23.0	3.0	20.0	32.8	38
1957	54.0	22.8	2.5	20.3	33.7	38
1958	54.4	20.6	2.3	18.3	36.1	34
1959	53.5	20.1	2.4	17.7	35.8	33
Average: 1957-59	54.0	21.2	2.4	18.8	35.2	35
1960	54.3	20.2	2.1	18.1	36.2	33
1961	54.8	20.8	2.2	18.6	36.2	34
1962	55.6	22.5	2.4	20.1	35.5	36
1963	55.4	22.4	2.8	19.6	35.8	35
1964	56.6	22.2	2.5	19.7	36.9	35
1965	57.6	23.6	2.8	20.8	36.8	36
1966	58.7	26.2	3.2	23.0	35.7	39
1967	59.6	25.3	3.2	22.1	37.5	37
1968	58.4	23.4	2.9	20.5	37.9	35
1969	58.0	22.8	2.8	20.0	38.0	34
Average: 1967-69	58.7	23.8	2.9	20.9	37.8	36
1970	58.8	23.7	3.1	20.6	38.2	35
1971						
1972						
1973						

1/ Payment to farmer for wheat: 7.0 lb., January 1947-June 1957; 6.9 lb., July 1957-December 1963; 6.8 lb., beginning January 1964. Starting July 1964, farm value is based on the market price of wheat plus the cost of the marketing certificate to millers. This cost equals the value of the domestic marketing certificate received by farmers complying with the U.S. wheat program.

2/ Estimated value of millfeed byproducts.

3/ Gross farm value less byproduct allowance.

Table 48.--Bread, white: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-71

Period	Retail price per pound	Farm value					Farm-retail spread	Farmer's share	
		Wheat flour			Other ingre-dients 4/	All ingre-dients		Wheat flour	All ingre-dients
		Gross farm value 1/	Byproduct allowance 2/	Net farm value 3/					
	Cents							Percent	
1947	12.5	3.5	0.6	2.9	0.7	3.6	8.9	23	29
1948	13.9	3.2	.6	2.6	.7	3.3	10.6	19	24
1949	14.0	2.8	.4	2.4	.5	2.9	11.1	17	21
Average:									
1947-49	13.5	3.2	.6	2.6	.7	3.3	10.2	19	24
1950	14.3	2.9	.5	2.4	.6	3.0	11.3	17	21
1951	15.7	3.1	.5	2.6	.6	3.2	12.5	17	20
1952	16.0	3.1	.6	2.5	.6	3.1	12.9	16	19
1953	16.4	3.0	.5	2.5	.6	3.1	13.3	15	19
1954	17.0	3.1	.4	2.7	.6	3.3	13.7	16	19
1955	17.4	3.1	.4	2.7	.5	3.2	14.2	16	18
1956	17.7	2.9	.3	2.6	.5	3.1	14.6	15	18
1957	18.5	2.9	.4	2.5	.7	3.2	15.3	14	17
1958	18.9	2.6	.3	2.3	.6	2.9	16.0	12	15
1959	19.2	2.6	.4	2.2	.6	2.8	16.4	11	15
Average:									
1957-59	18.9	2.7	.4	2.3	.7	3.0	15.9	12	16
1960	19.8	2.6	.3	2.3	.5	2.8	17.0	12	14
1961	20.2	2.6	.3	2.3	.7	3.0	17.2	11	15
1962	20.4	2.9	.3	2.6	.6	3.2	17.2	13	16
1963	20.7	2.9	.4	2.5	.6	3.1	17.6	12	15
1964	20.7	2.8	.3	2.5	.6	3.1	17.6	12	15
1965	20.8	3.0	.4	2.6	.6	3.2	17.6	12	15
1966	22.0	3.3	.4	2.9	.7	3.6	18.4	13	16
1967	22.2	3.2	.4	2.8	.6	3.4	18.8	13	15
1968	22.4	2.9	.3	2.6	.7	3.3	19.1	12	15
1969	23.0	2.9	.4	2.5	.8	3.3	19.7	11	14
Average:									
1967-69	22.5	3.0	.4	2.6	.7	3.3	19.2	12	15
1970	24.2	3.0	.4	2.6	.8	3.4	20.8	11	14
1971									
1972									
1973									
1960:									
Jan.-Mar. ...	19.4	2.6	.3	2.3	.6	2.9	16.5	12	15
Apr.-June ...	19.5	2.6	.3	2.3	.6	2.9	16.6	12	15
July-Sept. ..	19.9	2.5	.3	2.2	.6	2.8	17.1	11	14
Oct.-Dec. ...	20.2	2.6	.3	2.3	.5	2.8	17.4	11	14
1961:									
Jan.-Mar. ...	20.2	2.6	.3	2.3	.7	3.0	17.2	11	15
Apr.-June ...	20.2	2.5	.2	2.3	.6	2.9	17.3	11	14
July-Sept. ..	20.2	2.6	.2	2.4	.6	3.0	17.2	12	15
Oct.-Dec. ...	20.3	2.7	.3	2.4	.6	3.0	17.3	12	15
1962:									
Jan.-Mar. ...	20.4	2.7	.3	2.4	.7	3.1	17.3	12	15
Apr.-June ...	20.3	2.9	.3	2.6	.6	3.2	17.1	13	16
July-Sept. ..	20.4	2.9	.3	2.6	.6	3.2	17.2	13	16
Oct.-Dec. ...	20.4	2.9	.3	2.6	.6	3.2	17.2	13	16
1963:									
Jan.-Mar. ...	20.8	3.0	.4	2.6	.6	3.2	17.6	12	15
Apr.-June ...	20.7	2.9	.3	2.6	.6	3.2	17.5	13	15
July-Sept. ..	20.7	2.6	.3	2.3	.6	2.9	17.8	11	14
Oct.-Dec. ...	20.7	2.9	.4	2.5	.6	3.1	17.6	12	15

Continued--

Table 48.--Bread, white: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-71--Continued

Period	Retail price per pound	Farm value					Farm-retail spread	Farmer's share	
		Wheat flour			Other ingredients 4/	All ingredients		Wheat flour	All ingredients
		Gross farm value 1/	Byproduct allowance 2/	Net farm value 3/					
	Cents							Percent	
1964:									
Jan.-Mar. ...	20.6	2.8	0.3	2.5	0.6	3.1	17.5	12	15
Apr.-June ...	20.6	2.5	.2	2.3	.6	2.9	17.7	11	14
July-Sept. ..	20.6	2.9	.3	2.6	.6	3.2	17.4	13	16
Oct.-Dec. ...	20.8	3.0	.3	2.7	.6	3.3	17.5	13	16
1965:									
Jan.-Mar. ...	20.9	3.0	.4	2.6	.6	3.2	17.7	12	15
Apr.-June ...	20.8	2.9	.3	2.6	.6	3.2	17.6	12	15
July-Sept. ..	20.7	3.0	.3	2.7	.6	3.3	17.4	13	16
Oct.-Dec. ...	20.7	3.1	.4	2.7	.6	3.3	17.4	13	16
1966:									
Jan.-Mar. ...	21.3	3.1	.4	2.7	.7	3.4	17.9	13	16
Apr.-June ...	21.6	3.2	.3	2.9	.6	3.5	18.1	13	16
July-Sept. ..	22.3	3.6	.5	3.1	.8	3.9	18.4	14	17
Oct.-Dec. ...	22.6	3.4	.5	2.9	.7	3.6	19.0	13	16
1967:									
Jan.-Mar. ...	22.4	3.3	.4	2.9	.6	3.5	18.9	13	16
Apr.-June ...	22.3	3.3	.4	2.9	.7	3.6	18.7	13	16
July-Sept. ..	22.1	3.1	.3	2.8	.6	3.4	18.7	13	15
Oct.-Dec. ...	22.2	3.1	.5	2.6	.7	3.3	18.9	12	15
1968:									
Jan.-Mar. ...	22.1	3.1	.4	2.7	.7	3.4	18.7	12	15
Apr.-June ...	22.2	3.0	.4	2.6	.7	3.3	18.9	12	15
July-Sept. ..	22.5	2.8	.3	2.5	.7	3.2	19.3	11	14
Oct.-Dec. ...	22.7	2.9	.4	2.5	.7	3.2	19.5	11	14
1969:									
Jan.-Mar. ...	22.8	2.9	.4	2.5	.8	3.3	19.5	11	14
Apr.-June ...	22.9	2.9	.4	2.5	.8	3.3	19.6	11	14
July-Sept. ..	23.0	2.8	.3	2.5	.8	3.3	19.7	11	14
Oct.-Dec. ...	23.3	2.9	.4	2.5	.8	3.3	20.0	11	14
1970:									
Jan.-Mar. ...	23.8	2.9	.3	2.6	.8	3.4	20.4	11	14
Apr.-June ...	24.0	2.9	.3	2.6	.8	3.4	20.6	11	14
July-Sept. ..	24.5	3.0	.4	2.6	.8	3.4	21.1	11	14
Oct.-Dec. ...	24.7	3.1	.4	2.7	.8	3.5	21.2	11	14
1971:									
Jan.-Mar. ...	24.9	3.0	.4	2.6	.8	3.4	21.5	10	14
Apr.-June ...	25.0	3.1	.4	2.7	.9	3.6	21.4	11	14
July-Sept. ..	25.2	2.9	.3	2.6	.9	3.5	21.7	10	14
Oct.-Dec. ...									
1972:									
Jan.-Mar. ...									
Apr.-June ...									
July-Sept. ..									
Oct.-Dec. ...									
1973:									
Jan.-Mar. ...									
Apr.-June ...									
July-Sept. ..									
Oct.-Dec. ...									

1/ Gross farm value is the payment to farmers for the quantity of wheat needed to produce flour for a pound of white bread: 0.897 lb. wheat, January 1947-June 1957; 0.884 lb., July 1957-December 1963; and 0.867 lb., beginning January 1964. Gross farm value is calculated from average prices received by farmers for hard winter and spring wheat in 10 States leading in production of these types of wheat. Starting July 1964, farm value is based on the market price for wheat plus the cost of the marketing certificate to millers. This cost equals the value of the domestic marketing certificate received by farmers complying with the U.S. wheat program. 2/ Estimated value of millfeed byproducts. 3/ Gross farm value less byproduct allowance. 4/ Payment to farmer for farm products other than wheat yielding ingredients for a pound of white bread.

Table 49.--Cookies, sandwich: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1961-70

Period	Retail price per pound	Farm value: Wheat flour 1/	Farm value: All ingredients 2/	Farm-retail spread	Farmer's share: Wheat flour	Farmer's share: All ingredients
	Cents	Cents	Cents	Cents	Percent	Percent
1961	51.2	1.4	5.2	46.0	3	10
1962	51.6	1.6	4.9	46.7	3	9
1963	51.4	1.5	5.0	46.4	3	10
1964	51.0	1.5	5.1	45.9	3	10
1965	50.5	1.6	5.2	45.3	3	10
1966	50.8	1.8	5.7	45.1	4	11
1967	51.5	1.7	5.4	46.1	3	10
1968	50.4	1.6	5.2	45.2	3	10
1969	49.8	1.6	5.3	44.5	3	11
Average: 1967-69 ..	50.6	1.6	5.3	45.3	3	10
1970	52.0	1.6	5.9	46.1	3	11
1971						
1972						
1973						

1/ Payment to farmer for 0.53 lb. of wheat less estimated value of millfeed byproducts. Starting July 1964, farm value is based on the market price of wheat, plus the cost of the marketing certificate to millers. This cost equals the value of the domestic marketing certificate received by farmers complying with the U.S. wheat program.

2/ Payment to farmer for wheat (less value of byproducts) and other farm products yielding ingredients used to bake a pound of cream-filled sandwich cookies.

Table 50.--Corn flakes: Retail price, farm value, byproduct allowance, farm-retail spread, and farmer's share of retail price, 1947-70

Period	Retail price per 12-ounce package	Gross farm value 1/	Byproduct allowance 2/	Net farm value 3/	Farm-retail spread	Farmer's share
	Cents					Percent
1947	14.8	9.7	6.7	3.0	11.8	20
1948	18.3	9.8	6.8	3.0	15.3	16
1949	18.5	6.1	4.1	2.0	16.5	11
Average: 1947-49	17.2	8.5	5.8	2.7	14.5	16
1950	18.8	6.9	4.7	2.2	16.6	12
1951	20.6	8.5	5.9	2.6	18.0	13
1952	21.6	8.6	5.9	2.7	18.9	12
1953	21.7	7.5	5.1	2.4	19.3	11
1954	21.9	7.6	4.7	2.9	19.0	13
1955	21.9	6.8	4.3	2.5	19.4	11
1956	21.8	6.8	4.2	2.6	19.2	12
1957	23.1	6.1	3.9	2.2	20.9	10
1958	25.3	5.6	3.5	2.1	23.2	8
1959	25.4	5.6	3.5	2.1	23.3	8
Average: 1957-59	24.6	5.8	3.7	2.1	22.5	9
1960	25.6	5.4	3.4	2.0	23.6	8
1961	26.2	5.3	3.4	1.9	24.3	7
1962	27.0	5.3	3.4	1.9	25.1	7
1963	28.0	5.9	3.8	2.1	25.9	8
1964	28.6	5.9	3.9	2.0	26.6	7
1965	28.8	6.2	4.1	2.1	26.7	7
1966	29.7	6.6	4.4	2.2	27.5	7
1967	31.3	6.2	4.0	2.2	29.1	7
1968	31.2	5.5	3.6	1.9	29.3	6
1969	31.3	5.9	3.9	2.0	29.3	6
Average: 1967-69	31.3	5.9	3.9	2.0	29.3	6
1970	32.2	6.5	4.3	2.2	30.0	7
1971						
1972						
1973						

1/ Payment to farmer for 2.87 lb. of corn.

2/ Estimated value of millfeed byproducts.

3/ Gross farm value less byproduct allowance.

Table 51.--Rice, long grain: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1960-70

Period	Retail price per pound	Gross farm value 1/	Byproduct allowance 2/	Net farm value 3/	Farm-retail spread	Farmer's share
	Cents					Percent
1960	20.5	7.7	0.8	6.9	13.6	34
1961	20.7	8.1	0.8	7.3	13.4	35
1962	21.4	8.5	0.8	7.7	13.7	36
1963	21.6	8.1	0.7	7.4	14.2	34
1964	21.6	8.0	0.7	7.3	14.3	34
1965	21.6	8.0	0.7	7.3	14.3	34
1966	21.6	8.1	0.7	7.4	14.2	34
1967	21.9	8.0	0.7	7.3	14.6	33
1968	22.1	8.2	0.7	7.5	14.6	34
1969	22.5	7.6	0.6	7.0	15.5	31
Average: 1967-69	22.2	7.9	0.6	7.3	14.9	33
1970	23.1	8.0	0.7	7.3	15.8	31
1971						
1972						
1973						

1/ Payment to farmers for 1.59 lb. long- and medium-grain rough rice.
2/ Estimated value of byproducts.
3/ Gross farm value less byproduct allowance.

Table 52.--Fruits and vegetables, fresh and processed: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, 1957-71 1/

Period	Retail cost	Farm value	Farm-retail spread	Farmer's share
	Dollars			Percent
1957	194.21	49.12	145.09	25
1958	205.97	52.57	153.40	26
1959	203.64	52.01	151.63	26
Average:				
1957-59	201.27	51.23	150.04	25
1960	206.48	53.85	152.63	26
1961	206.68	52.05	154.63	25
1962	207.32	51.63	155.69	25
1963	213.28	53.04	160.24	25
1964	220.33	58.80	161.53	27
1965	219.92	60.68	159.24	28
1966	224.01	59.34	164.67	26
1967	223.50	55.93	167.57	25
1968	242.33	65.74	176.59	27
1969	243.47	64.81	178.66	27
Average:				
1967-69	236.43	62.17	174.26	26
1970	251.15	62.30	188.85	25
1971				
1972				
1973				
1960:				
Jan.-Mar.	202.86	53.85	149.01	27
Apr.-June	211.29	54.70	156.59	26
July-Sept.	208.46	54.27	154.19	26
Oct.-Dec.	203.32	52.57	150.75	26
1961:				
Jan.-Mar.	205.02	51.74	153.28	25
Apr.-June	210.52	54.11	156.41	26
July-Sept.	211.57	53.44	158.13	25
Oct.-Dec.	199.60	48.92	150.68	25
1962:				
Jan.-Mar.	205.59	54.30	151.29	26
Apr.-June	215.55	55.07	160.48	26
July-Sept.	208.60	50.08	158.52	24
Oct.-Dec.	199.56	47.08	152.48	24
1963:				
Jan.-Mar.	210.28	53.01	157.27	25
Apr.-June	216.60	54.85	161.75	25
July-Sept.	218.02	52.58	165.44	24
Oct.-Dec.	208.22	51.72	156.50	25
1964:				
Jan.-Mar.	216.08	56.39	159.69	26
Apr.-June	222.62	59.61	163.01	27
July-Sept.	225.69	59.62	166.07	26
Oct.-Dec.	216.93	59.58	157.35	27
1965:				
Jan.-Mar.	217.28	60.83	156.45	28
Apr.-June	231.56	67.89	163.67	29
July-Sept.	221.93	59.10	162.83	27
Oct.-Dec.	208.96	54.91	154.05	26
1966:				
Jan.-Mar.	217.77	60.23	157.54	28
Apr.-June	227.40	61.42	165.98	27
July-Sept.	230.57	60.24	170.33	26
Oct.-Dec.	220.30	55.48	164.82	25
1967:				
Jan.-Mar.	218.00	53.53	164.47	25
Apr.-June	221.82	54.64	167.18	25
July-Sept.	230.08	57.80	172.28	25
Oct.-Dec.	224.11	57.78	166.33	26
1968:				
Jan.-Mar.	238.35	66.37	171.98	28
Apr.-June	246.49	70.01	176.48	28
July-Sept.	245.75	63.95	181.80	26
Oct.-Dec.	238.73	62.66	176.07	26
1969:				
Jan.-Mar.	239.54	64.73	174.81	27
Apr.-June	245.96	66.89	179.07	27
July-Sept.	246.73	62.72	184.01	25
Oct.-Dec.	241.64	64.93	176.71	27
1970:				
Jan.-Mar.	246.36	62.69	183.67	25
Apr.-June	256.17	64.26	191.91	25
July-Sept.	256.41	63.64	192.77	25
Oct.-Dec.	245.63	58.61	187.02	24
1971:				
Jan.-Mar.	249.40	63.41	185.99	25
Apr.-June	267.73	69.71	198.02	26
July-Sept.	270.69	66.10	204.59	24
Oct.-Dec.				
1972:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				
1973:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				

1/ Average quantities bought annually per household in 1960-61 by families of wage earners and clerical workers and workers living alone.

Table 53.--Fruits, fresh: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, 1957-71 1/

Period	Retail cost	Farm value	Farm-retail spread	Farmer's share
	Dollars			Percent
1957	37.50	13.42	24.08	36
1958	41.52	15.11	26.41	36
1959	38.33	13.27	25.06	35
Average: 1957-59	39.12	13.93	25.19	36
1960	42.10	15.45	26.65	37
1961	43.38	15.80	27.58	36
1962	43.13	14.48	28.65	34
1963	46.23	16.49	29.74	36
1964	45.56	15.49	30.07	34
1965	43.08	13.52	29.56	31
1966	45.83	14.83	31.00	32
1967	46.01	14.26	31.75	31
1968	54.39	18.89	35.50	35
1969	51.49	15.86	35.63	31
Average: 1967-69	50.63	16.34	34.29	32
1970	51.31	14.38	36.93	28
1971				
1972				
1973				
1960:				
Jan.-Mar.	37.26	13.55	23.71	36
Apr.-June	43.24	14.64	28.60	34
July-Sept.	46.10	16.91	29.19	37
Oct.-Dec.	41.81	16.68	25.13	40
1961:				
Jan.-Mar.	40.30	16.53	23.77	41
Apr.-June	44.53	16.70	27.83	38
July-Sept.	48.40	16.17	32.23	33
Oct.-Dec.	40.29	13.82	26.47	34
1962:				
Jan.-Mar.	40.81	15.19	25.62	37
Apr.-June	44.63	14.59	30.04	33
July-Sept.	45.97	14.64	31.33	32
Oct.-Dec.	41.11	13.49	27.62	33
1963:				
Jan.-Mar.	43.66	17.40	26.26	40
Apr.-June	49.43	18.69	30.74	38
July-Sept.	50.51	15.49	35.02	31
Oct.-Dec.	41.33	14.40	26.93	35
1964:				
Jan.-Mar.	40.74	13.87	26.87	34
Apr.-June	47.11	16.89	30.22	36
July-Sept.	50.25	16.44	33.81	33
Oct.-Dec.	44.16	14.79	29.37	33
1965:				
Jan.-Mar.	40.46	13.39	27.07	33
Apr.-June	44.29	13.81	30.48	31
July-Sept.	46.65	14.23	32.42	31
Oct.-Dec.	40.96	12.67	28.29	31
1966:				
Jan.-Mar.	40.41	13.67	26.74	34
Apr.-June	46.27	15.79	30.48	34
July-Sept.	51.31	16.06	35.25	31
Oct.-Dec.	45.34	13.80	31.54	30
1967:				
Jan.-Mar.	42.13	12.27	29.86	29
Apr.-June	44.59	13.66	30.93	31
July-Sept.	50.53	15.32	35.21	30
Oct.-Dec.	46.77	15.82	30.95	34
1968:				
Jan.-Mar.	50.65	18.76	31.89	37
Apr.-June	55.11	20.56	34.55	37
July-Sept.	59.39	19.55	39.84	33
Oct.-Dec.	52.41	16.70	35.71	32
1969:				
Jan.-Mar.	49.80	16.66	33.14	33
Apr.-June	53.03	17.27	35.76	32
July-Sept.	56.18	15.89	40.29	28
Oct.-Dec.	46.94	13.67	33.27	29
1970:				
Jan.-Mar.	46.79	12.27	34.52	26
Apr.-June	51.04	13.76	37.28	27
July-Sept.	57.28	16.61	40.67	29
Oct.-Dec.	50.14	14.90	35.24	30
1971:				
Jan.-Mar.	49.91	14.63	35.28	29
Apr.-June	56.11	17.54	38.57	31
July-Sept.	62.31	18.76	43.55	30
Oct.-Dec.				
1972:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				
1973:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				

1/ Average quantities bought annually per household in 1960-61 by families of wage earners and clerical workers and workers living alone.

Table 54.--Fruits, fresh: Indexes of retail cost, farm value, and farm-retail spread, 1947-70

(1967=100)

Year	Retail cost	Farm value	Farm-retail spread
1947	62	79	55
1948	62	70	58
1949	70	86	62
1950	68	86	60
1951	65	77	60
1952	75	87	69
1953	77	88	71
1954	78	93	72
1955	74	88	68
1956	78	92	71
1957	82	94	76
1958	90	106	83
1959	83	93	79
1960	92	108	84
1961	94	111	87
1962	94	102	90
1963	100	116	94
1964	99	109	95
1965	94	95	93
1966	100	104	98
1967	100	100	100
1968	118	135	111
1969	112	111	113
1970	112	102	117
1971			
1972			
1973			

Table 55.--Apples: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-71

Period	Retail price per pound	Farm value 1/	Farm-retail spread	Farmer's share
	Cents	Cents	Cents	Percent
1947	11.7	5.4	6.3	46
1948	10.9	4.3	6.6	39
1949	11.5	4.5	7.0	39
Average:				
1947-49	11.4	4.7	6.7	41
1950	11.0	4.4	6.6	40
1951	10.2	3.9	6.3	38
1952	13.4	6.0	7.4	45
1953	15.7	6.7	9.0	43
1954	15.3	6.1	9.2	40
1955	15.2	5.5	9.7	36
1956	15.2	5.4	9.8	36
1957	16.8	6.0	10.8	36
1958	16.1	4.7	11.4	29
1959	14.4	4.5	9.9	31
Average:				
1957-59	15.8	5.1	10.7	32
1960	16.7	6.1	10.6	37
1961	17.5	6.6	10.9	38
1962	16.8	6.1	10.7	36
1963	17.5	5.9	11.6	34
1964	17.6	5.7	11.9	32
1965	17.6	5.9	11.7	34
1966	19.5	6.7	12.8	34
1967	20.5	6.9	13.6	34
1968	23.9	8.9	15.0	37
1969	23.8	8.0	15.8	34
Average:				
1967-69	22.7	7.9	14.8	35
1970	21.8	6.0	15.8	28
1971				
1972				
1973				
1960:				
Jan.-Mar.	14.3	5.5	8.8	38
Apr.-June	18.6	6.5	12.1	35
July-Sept.	19.3	6.1	13.2	32
Oct.-Dec.	14.4	6.3	8.1	44
1961:				
Jan.-Mar.	16.0	6.8	9.2	42
Apr.-June	19.8	8.1	11.7	41
July-Sept.	20.8	6.2	14.6	30
Oct.-Dec.	13.5	5.4	8.1	40
1962:				
Jan.-Mar.	14.5	5.9	8.6	41
Apr.-June	18.3	7.1	11.2	39
July-Sept.	19.9	5.9	14.0	30
Oct.-Dec.	14.4	5.6	8.8	39
1963:				
Jan.-Mar.	15.5	5.8	9.7	37
Apr.-June	19.0	6.9	12.1	36
July-Sept.	21.0	5.9	15.1	28
Oct.-Dec.	14.6	5.0	9.6	34
1964:				
Jan.-Mar.	15.9	4.9	11.0	31
Apr.-June	19.3	7.3	12.0	38
July-Sept.	20.9	5.3	15.6	25
Oct.-Dec.	14.4	5.2	9.2	36
1965:				
Jan.-Mar.	16.3	5.8	10.5	36
Apr.-June	18.9	6.1	12.8	32
July-Sept.	19.9	5.6	14.3	28
Oct.-Dec.	15.3	6.1	9.2	40
1966:				
Jan.-Mar.	17.0	7.1	9.9	42
Apr.-June	20.7	8.2	12.5	40
July-Sept.	23.3	5.8	17.5	25
Oct.-Dec.	17.2	5.8	11.4	34
1967:				
Jan.-Mar.	18.6	6.3	12.3	34
Apr.-June	20.8	7.5	13.3	36
July-Sept.	23.8	6.7	17.1	28
Oct.-Dec.	18.7	7.1	11.6	38
1968:				
Jan.-Mar.	21.3	8.3	13.0	39
Apr.-June	25.1	11.0	14.1	44
July-Sept.	28.0	7.9	20.1	28
Oct.-Dec.	21.3	8.4	12.9	39
1969:				
Jan.-Mar.	23.5	9.5	14.0	40
Apr.-June	25.6	9.8	15.8	38
July-Sept.	27.2	7.1	20.3	26
Oct.-Dec.	18.8	5.7	13.1	30
1970:				
Jan.-Mar.	19.7	4.9	14.8	25
Apr.-June	22.2	5.5	16.7	25
July-Sept.	25.8	7.2	18.8	28
Oct.-Dec.	19.4	6.6	12.8	34
1971:				
Jan.-Mar.	21.4	6.4	15.0	30
Apr.-June	24.1	7.0	17.1	29
July-Sept.	27.4	7.7	19.7	28
Oct.-Dec.				
1972:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				
1973:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				

1/ Payment to farmer for 1.08 lb. of apples for fresh consumption, 1947-58; quantity gradually decreased to 1.04 lb. from 1964 on.

Table 56.--Grapefruit: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1960-70

Period	Retail price each	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1960	12.4	2.4	10.0	19
1961	11.4	2.0	9.4	18
1962	11.5	2.1	9.4	18
1963	14.8	3.9	10.9	26
1964	15.5	4.3	11.2	28
1965	14.0	3.0	11.0	21
1966	14.8	3.4	11.4	23
1967	13.4	3.0	10.4	22
1968	16.5	4.3	12.2	26
1969	15.1	3.4	11.9	22
Average: 1967-69	15.0	3.6	11.5	24
1970	17.0	4.0	13.0	24
1971				
1972				
1973				

1/ Payment to farmer for 1.04 lb. of grapefruit for fresh consumption, based on equivalent returns per box at packinghouse door.

Table 57.--Lemons: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1954-70

Period	Retail price per pound	Farm value 1/	Farm-retail spread	Farmer's share
	Cents	Cents	Cents	Percent
1954	18.1	5.7	12.4	31
1955	17.8	5.3	12.5	30
1956	18.6	5.9	12.7	32
1957	18.6	4.4	14.2	24
1958	18.0	4.1	13.9	23
1959	18.3	4.8	13.5	26
Average:				
1957-59	18.3	4.4	13.9	24
1960	18.8	5.0	13.8	27
1961	19.0	4.1	14.9	22
1962	19.6	5.5	14.1	28
1963	22.5	6.1	16.4	27
1964	21.2	5.3	15.9	25
1965	23.5	6.0	17.5	26
1966	23.7	6.2	17.5	26
1967	24.4	7.1	17.3	29
1968	26.0	7.4	18.6	28
1969	29.0	9.7	19.3	33
Average:				
1967-69	26.5	8.1	18.4	31
1970	31.2	8.9	22.3	29
1971				
1972				
1973				

1/ Payment to farmer for 1.04 lb. of lemons for fresh consumption, based on equivalent returns per box at packinghouse door.

Table 58.--Oranges: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-71

Period	Retail price per dozen	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1947	43.0	11.6	31.4	27
1948	44.3	11.8	32.5	27
1949	51.3	14.5	36.8	28
Average:				
1947-49	46.2	12.6	33.6	27
1950	48.9	16.9	32.0	35
1951	48.3	14.9	33.4	31
1952	50.2	13.7	36.5	27
1953	49.0	12.7	36.3	26
1954	55.2	18.1	37.1	33
1955	52.3	16.6	35.7	32
1956	58.1	19.8	38.3	34
1957	57.8	18.0	39.8	31
1958	75.8	30.0	45.8	40
1959	66.1	21.8	44.3	33
Average:				
1957-59	66.6	23.3	43.3	35
1960	74.6	26.2	48.4	35
1961	77.3	25.4	51.9	33
1962	79.1	22.8	56.3	29
1963	90.2	31.9	58.3	35
1964	88.0	28.6	59.4	32
1965	77.8	20.6	57.2	26
1966	79.3	21.6	57.7	27
1967	76.6	18.2	58.4	24
1968	96.4	29.4	67.0	30
1969	83.3	18.9	64.4	23
Average:				
1967-69	85.4	22.2	63.2	26
1970	85.9	20.3	65.6	24
1971				
1972				
1973				
1960:				
Jan.-Mar.	64.1	21.3	42.8	33
Apr.-June	69.9	22.5	47.4	32
July-Sept.	81.4	31.8	49.6	39
Oct.-Dec.	82.7	29.3	53.4	35
1961:				
Jan.-Mar.	72.6	28.4	44.2	39
Apr.-June	78.1	25.3	52.8	32
July-Sept.	81.2	26.3	54.9	32
Oct.-Dec.	77.1	21.5	55.6	28
1962:				
Jan.-Mar.	76.7	25.0	51.7	33
Apr.-June	77.1	18.9	58.2	25
July-Sept.	79.6	25.5	54.1	32
Oct.-Dec.	83.1	21.6	61.5	26
1963:				
Jan.-Mar.	85.8	35.2	50.6	41
Apr.-June	96.2	36.2	60.0	38
July-Sept.	91.2	27.4	63.8	30
Oct.-Sept.	87.4	28.8	58.6	33
1964:				
Jan.-Mar.	78.2	26.9	51.3	34
Apr.-June	83.4	25.4	58.0	30
July-Sept.	93.2	32.6	60.6	35
Oct.-Dec.	97.2	29.3	67.9	30
1965:				
Jan.-Mar.	75.3	22.0	53.3	29
Apr.-June	74.4	19.5	54.9	26
July-Sept.	80.5	23.7	56.8	29
Oct.-Dec.	80.8	17.2	63.6	21
1966:				
Jan.-Mar.	71.6	16.9	54.7	24
Apr.-June	75.2	19.4	55.8	26
July-Sept.	83.1	27.1	56.0	33
Oct.-Dec.	87.4	23.0	64.4	26
1967:				
Jan.-Mar.	71.1	14.6	56.5	21
Apr.-June	70.5	14.6	55.9	21
July-Sept.	78.2	21.9	56.3	28
Oct.-Dec.	86.5	21.8	64.7	25
1968:				
Jan.-Mar.	91.5	27.2	64.3	30
Apr.-June	91.0	26.6	64.4	29
July-Sept.	102.1	38.7	63.4	38
Oct.-Dec.	101.2	25.3	75.9	25
1969:				
Jan.-Mar.	82.7	20.3	62.4	25
Apr.-June	81.9	17.1	64.8	21
July-Sept.	84.8	18.8	66.0	22
Oct.-Dec.	83.9	19.4	64.5	23
1970:				
Jan.-Mar.	79.8	19.0	60.8	24
Apr.-June	80.5	18.4	62.1	23
July-Sept.	89.5	22.1	67.4	25
Oct.-Dec.	93.8	21.7	72.1	23
1971:				
Jan.-Mar.	85.6	21.1	64.5	25
Apr.-June	90.5	24.4	66.1	27
July-Sept.	100.6	26.0	74.6	26
Oct.-Dec.				
1972:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				
1973:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				

1/ Payment to farmer for 1.04-dozen oranges for fresh consumption, 1947-58; quantity gradually decreased to 1.03 dozen from 1964 on, based on equivalent returns per box at packinghouse door.

Table 59.--Vegetables, fresh: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, 1957-71 1/

Period	Retail cost	Farm value	Farm-retail spread	Farmer's share
	Dollars			Percent
1957	53.16	17.06	36.10	32
1958	56.02	18.44	37.58	33
1959	55.65	18.39	37.26	33
Average: 1957-59	54.94	17.96	36.98	33
1960	57.14	19.40	37.74	34
1961	53.96	16.40	37.56	30
1962	57.54	18.67	38.87	32
1963	58.01	17.46	40.55	30
1964	64.75	21.14	43.61	33
1965	70.44	24.69	45.75	35
1966	68.82	23.25	45.57	34
1967	68.52	21.92	46.60	32
1968	72.50	23.84	48.66	33
1969	75.96	25.08	50.88	33
Average: 1967-69	72.33	23.61	48.72	33
1970	81.09	25.72	55.37	32
1971				
1972				
1973				
1960:				
Jan.-Mar.	59.01	20.89	38.12	35
Apr.-June	61.25	21.22	40.03	35
July-Sept.	54.94	18.47	36.47	34
Oct.-Dec.	53.34	17.04	36.30	32
1961:				
Jan.-Mar.	55.10	15.89	39.21	29
Apr.-June	56.01	17.58	38.43	31
July-Sept.	53.86	17.13	36.73	32
Oct.-Dec.	50.87	14.99	35.88	29
1962:				
Jan.-Mar.	56.91	20.02	36.89	35
Apr.-June	63.87	21.88	41.99	34
July-Sept.	56.26	17.17	39.09	31
Oct.-Dec.	53.12	15.61	37.51	29
1963:				
Jan.-Mar.	59.61	17.46	42.15	29
Apr.-June	58.60	16.90	41.70	29
July-Sept.	57.43	17.74	39.69	31
Oct.-Dec.	56.40	17.72	38.68	31
1964:				
Jan.-Mar.	64.25	21.46	42.79	33
Apr.-June	64.45	20.51	43.94	32
July-Sept.	65.58	20.80	44.78	32
Oct.-Dec.	64.72	21.78	42.94	34
1965:				
Jan.-Mar.	69.70	24.76	44.94	36
Apr.-June	81.06	32.24	48.82	40
July-Sept.	69.18	22.27	46.91	32
Oct.-Dec.	61.83	19.50	42.33	32
1966:				
Jan.-Mar.	68.86	24.59	44.27	36
Apr.-June	71.04	23.96	47.08	34
July-Sept.	69.39	23.15	46.24	34
Oct.-Dec.	65.97	21.31	44.66	32
1967:				
Jan.-Mar.	67.66	21.90	45.76	32
Apr.-June	69.93	22.59	47.34	32
July-Sept.	70.76	22.61	48.15	32
Oct.-Dec.	65.73	20.60	45.13	31
1968:				
Jan.-Mar.	73.41	25.24	48.17	34
Apr.-June	75.66	25.62	50.04	34
July-Sept.	70.16	21.28	48.88	30
Oct.-Dec.	70.78	23.25	47.53	33
1969:				
Jan.-Mar.	74.32	24.43	49.89	33
Apr.-June	76.94	25.11	51.83	33
July-Sept.	74.17	22.78	51.39	31
Oct.-Dec.	78.42	27.98	50.44	36
1970:				
Jan.-Mar.	82.87	28.07	54.80	34
Apr.-June	87.22	28.80	58.42	33
July-Sept.	79.68	24.92	54.76	31
Oct.-Dec.	74.58	21.10	53.48	28
1971:				
Jan.-Mar.	77.32	26.43	50.89	34
Apr.-June	88.00	29.41	58.59	33
July-Sept.	82.54	24.41	58.13	30
Oct.-Dec.				
1972:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				
1973:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				

1/ Average quantities bought annually per household in 1960-61 by families of wage earners and clerical workers and workers living alone.

Table 60.--Vegetables, fresh: Indexes of retail cost, farm value, and farm-retail spread, 1947-70

(1967=100)

Year	Retail cost	Farm value	Farm-retail spread
1947	58	83	47
1948	64	91	52
1949	64	84	54
1950	60	71	55
1951	68	87	59
1952	83	117	67
1953	72	82	67
1954	69	76	66
1955	73	82	70
1956	80	92	74
1957	78	78	78
1958	82	84	81
1959	81	84	80
1960	83	89	81
1961	79	75	81
1962	84	85	83
1963	85	80	87
1964	94	96	94
1965	103	113	98
1966	100	106	98
1967	100	100	100
1968	106	109	104
1969	111	114	109
1970	118	117	119
1971			
1972			
1973			

Table 61.--Cabbage: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-70

Period	Retail price per pound	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1947	7.5	2.4	5.1	32
1948	6.7	1.6	5.1	24
1949	6.8	1.8	5.0	26
Average: 1947-49	7.0	1.9	5.1	27
1950	6.1	1.3	4.8	21
1951	8.8	3.1	5.7	35
1952	9.7	3.7	6.0	38
1953	7.2	1.8	5.4	25
1954	6.8	1.7	5.1	25
1955	8.1	2.6	5.5	32
1956	7.6	1.8	5.8	24
1957	8.4	2.4	6.0	29
1958	8.6	2.3	6.3	27
1959	9.0	2.6	6.4	29
Average: 1957-59	8.7	2.4	6.3	28
1960	9.0	2.4	6.6	27
1961	8.3	2.1	6.2	25
1962	10.1	3.3	6.8	33
1963	9.9	2.6	7.3	26
1964	10.3	2.8	7.5	27
1965	10.4	3.1	7.3	30
1966	12.3	4.0	8.3	33
1967	11.1	3.2	7.9	29
1968	12.0	3.7	8.3	31
1969	12.4	3.7	8.7	30
Average: 1967-69	11.8	3.5	8.3	30
1970	14.6	4.6	10.0	32
1971				
1972				
1973				

1/ Payment to farmer for 1.10 lb. of cabbage for fresh market, 1947-58; quantity gradually decreased to 1.08 lb. from 1964 on.

Table 62.--Carrots: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-71

Period	Retail price per pound	Farm value 1/	Farm-retail spread	Farmer's share
	Cents	Cents	Cents	Percent
1947	10.6	4.2	6.4	40
1948	11.8	4.4	7.4	37
1949	10.2	3.4	6.8	33
Average:				
1947-49	10.9	4.0	6.9	37
1950	9.8	3.0	6.8	31
1951	12.4	4.3	8.1	35
1952	11.9	3.7	8.2	31
1953	12.6	4.0	8.6	32
1954	13.4	4.1	9.3	31
1955	13.8	4.2	9.6	30
1956	13.6	3.5	10.1	26
1957	14.8	3.9	10.9	26
1958	14.6	3.7	10.9	25
1959	14.3	3.4	10.9	24
Average:				
1957-59	14.6	3.7	10.9	25
1960	14.0	3.6	10.4	26
1961	15.6	4.1	11.5	26
1962	15.0	3.9	11.1	26
1963	14.6	3.2	11.4	22
1964	14.9	3.4	11.5	23
1965	15.2	4.6	10.6	30
1966	16.4	5.8	10.6	35
1967	16.2	5.9	10.3	36
1968	18.7	6.5	12.2	35
1969	17.9	6.5	11.4	36
Average:				
1967-69	17.6	6.3	11.3	36
1970	17.6	5.3	12.3	30
1971				
1972				
1973				
1960:				
Jan.-Mar.	13.2	2.2	11.0	17
Apr.-June	13.1	3.3	9.8	25
July-Sept.	15.3	4.9	10.4	32
Oct.-Dec.	14.4	3.9	10.5	27
1961:				
Jan.-Mar.	15.7	3.4	12.3	22
Apr.-June	16.5	5.2	11.3	32
July-Sept.	15.7	4.2	11.5	27
Oct.-Dec.	14.6	3.5	11.1	24
1962:				
Jan.-Mar.	14.8	3.5	11.3	24
Apr.-June	15.2	5.3	9.9	35
July-Sept.	15.3	3.8	11.5	25
Oct.-Dec.	14.7	3.1	11.6	21
1963:				
Jan.-Mar.	14.5	2.6	11.9	18
Apr.-June	14.2	2.7	11.5	19
July-Sept.	15.1	3.6	11.5	24
Oct.-Dec.	14.7	3.9	10.8	27
1964:				
Jan.-Mar.	14.7	2.3	12.4	16
Apr.-June	14.1	3.1	11.0	22
July-Sept.	15.6	4.5	11.1	29
Oct.-Dec.	15.1	4.0	11.1	26
1965:				
Jan.-Mar.	14.5	3.7	10.8	26
Apr.-June	15.0	4.8	10.2	32
July-Sept.	16.6	5.5	11.1	33
Oct.-Dec.	14.8	4.6	10.2	31
1966:				
Jan.-Mar.	16.3	5.4	10.9	33
Apr.-June	17.3	7.1	10.2	41
July-Sept.	17.1	5.6	11.5	33
Oct.-Dec.	15.0	4.9	10.1	33
1967:				
Jan.-Mar.	14.8	4.2	10.6	28
Apr.-June	15.0	5.1	9.9	34
July-Sept.	16.5	5.9	10.6	36
Oct.-Dec.	18.4	8.3	10.1	45
1968:				
Jan.-Mar.	25.3	10.7	14.6	42
Apr.-June	17.0	4.8	12.2	28
July-Sept.	16.8	5.2	11.6	31
Oct.-Dec.	15.8	5.2	10.6	33
1969:				
Jan.-Mar.	16.4	5.2	11.2	32
Apr.-June	16.6	5.1	11.5	31
July-Sept.	19.2	7.8	11.4	41
Oct.-Dec.	19.5	8.0	11.5	41
1970:				
Jan.-Mar.	19.6	6.0	13.6	31
Apr.-June	16.9	4.9	12.0	29
July-Sept.	17.4	5.0	12.4	29
Oct.-Dec.	16.6	5.3	11.3	32
1971:				
Jan.-Mar.	17.3	5.3	12.0	31
Apr.-June	21.6	9.2	12.4	42
July-Sept.	23.9	8.4	15.5	35
Oct.-Dec.				
1972:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				
1973:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				

1/ Payment to farmer for 1.06 lb. of carrots for fresh market, 1947-58; quantity gradually decreased to 1.03 lb. from 1964 on.

Table 63.--Celery: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1953-70

Period	Retail price per pound	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1953	14.6	4.2	10.4	29
1954	13.4	3.7	9.7	28
1955	14.5	4.6	9.9	32
1956	13.4	3.9	9.5	29
1957	14.9	4.4	10.5	30
1958	16.0	5.1	10.9	32
1959	14.0	3.8	10.2	27
Average:				
1957-59	15.0	4.4	10.6	29
1960	13.8	3.8	10.0	28
1961	13.2	3.7	9.5	28
1962	15.3	5.3	10.0	35
1963	13.8	3.8	10.0	28
1964	15.7	4.9	10.8	31
1965	15.5	4.9	10.6	32
1966	16.7	5.8	10.9	35
1967	16.4	5.4	11.0	33
1968	16.8	5.1	11.7	30
1969	18.6	6.3	12.3	34
Average:				
1967-69	17.3	5.6	11.7	32
1970	20.2	6.1	14.1	30
1971				
1972				
1973				

1/ Payment to farmer for 1.11 lb. of celery, 1953-58; quantity gradually decreased to 1.08 lb. from 1964 on.

Table 64.--Cucumbers: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1964-70

Period	Retail price per pound	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1964	23.8	8.8	15.0	37
1965	22.1	7.0	15.1	32
1966	25.0	8.4	16.6	34
1967	23.9	8.8	15.1	37
1968	28.0	11.8	16.2	42
1969	26.9	9.3	17.6	35
Average: 1967-69	26.3	10.0	16.3	38
1970	27.5	10.1	17.4	37
1971				
1972				
1973				

1/ Payment to farmer for 1.09 lb. of cucumbers for fresh market.

Table 65.--Lettuce: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-71

Period	Retail price per head	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1947	16.7	8.6	8.1	51
1948	16.8	7.7	9.1	46
1949	20.0	9.8	10.2	49
Average:				
1947-49	17.8	8.7	9.1	49
1950	17.1	7.2	9.9	42
1951	19.9	9.3	10.6	47
1952	18.8	8.2	10.6	44
1953	18.9	8.0	10.9	42
1954	19.1	8.0	11.1	42
1955	20.4	8.9	11.5	44
1956	20.4	8.1	12.3	40
1957	21.7	8.3	13.4	38
1958	21.6	7.5	14.1	35
1959	22.5	8.4	14.1	37
Average:				
1957-59	21.9	8.1	13.8	37
1960	21.6	8.4	13.2	39
1961	20.7	6.8	13.9	33
1962	23.5	8.2	15.3	35
1963	24.2	8.2	16.0	34
1964	24.7	8.4	16.3	34
1965	25.5	8.8	16.7	35
1966	27.8	10.2	17.6	37
1967	27.7	9.3	18.4	34
1968	27.5	9.3	18.2	34
1969	31.0	11.5	19.5	37
Average:				
1967-69	28.7	10.3	18.4	36
1970	29.8	9.4	20.4	32
1971				
1972				
1973				
1960:				
Jan.-Mar.	23.6	10.6	13.0	45
Apr.-June	20.1	7.3	12.8	36
July-Sept.	21.5	6.7	14.8	31
Oct.-Dec.	21.1	9.0	12.1	43
1961:				
Jan.-Mar.	20.4	6.1	14.3	30
Apr.-June	20.1	6.3	13.8	31
July-Sept.	20.6	7.6	13.0	37
Oct.-Dec.	21.7	7.3	14.4	34
1962:				
Jan.-Mar.	22.8	9.3	13.5	41
Apr.-June	26.1	9.0	17.1	34
July-Sept.	21.9	6.7	15.2	31
Oct.-Dec.	23.3	7.7	15.6	33
1963:				
Jan.-Mar.	24.1	8.1	16.0	34
Apr.-June	24.2	8.3	15.9	34
July-Sept.	23.5	6.6	16.9	28
Oct.-Dec.	25.1	10.0	15.1	40
1964:				
Jan.-Mar.	28.2	11.9	16.3	42
Apr.-June	21.7	5.2	16.5	24
July-Sept.	22.8	7.1	15.7	31
Oct.-Dec.	26.0	9.3	16.7	36
1965:				
Jan.-Mar.	23.2	6.3	16.9	27
Apr.-June	29.3	12.9	16.4	44
July-Sept.	22.8	7.1	15.7	31
Oct.-Dec.	26.7	8.8	17.9	33
1966:				
Jan.-Mar.	31.2	13.8	17.4	44
Apr.-June	24.3	7.9	16.4	33
July-Sept.	28.5	10.6	17.9	37
Oct.-Dec.	27.1	8.4	18.7	31
1967:				
Jan.-Mar.	23.3	6.8	16.5	29
Apr.-June	30.6	12.5	18.1	41
July-Sept.	29.7	8.7	21.0	29
Oct.-Dec.	27.3	9.3	18.0	34
1968:				
Jan.-Mar.	26.9	9.7	17.2	36
Apr.-June	26.5	7.8	18.7	29
July-Sept.	26.8	8.9	17.9	33
Oct.-Dec.	29.7	10.8	18.9	36
1969:				
Jan.-Mar.	29.7	11.6	18.1	39
Apr.-June	31.2	10.5	20.7	34
July-Sept.	27.3	8.3	19.0	30
Oct.-Dec.	35.8	15.4	20.4	43
1970:				
Jan.-Mar.	27.4	7.9	19.5	29
Apr.-June	27.8	7.8	20.0	28
July-Sept.	32.4	12.7	19.7	39
Oct.-Dec.	31.5	9.0	22.5	29
1971:				
Jan.-Mar.	30.6	13.4	17.2	44
Apr.-June	32.1	8.9	23.2	28
July-Sept.	32.9	9.6	23.3	29
Oct.-Dec.				
1972:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				
1973:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				

1/ Payment to farmer for 1.94 lb. of lettuce, 1947-58; quantity gradually decreased to 1.88 lb. from 1964 on.

Table 66.--Onions: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-71

Period	Retail price per pound	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1947	7.3	3.1	4.2	42
1948	10.6	5.1	5.5	48
1949	7.4	3.0	4.4	41
Average:				
1947-49	8.4	3.7	4.7	44
1950	6.8	2.1	4.7	31
1951	7.9	2.9	5.0	37
1952	11.3	5.3	6.0	47
1953	8.6	2.9	5.7	34
1954	7.3	2.1	5.2	29
1955	8.1	2.6	5.5	32
1956	9.5	3.3	6.2	35
1957	9.5	3.0	6.5	32
1958	10.0	3.3	6.7	33
1959	11.3	4.0	7.3	35
Average:				
1957-59	10.3	3.4	6.9	33
1960	9.2	2.2	7.0	24
1961	10.3	3.4	6.9	33
1962	12.2	4.0	8.2	33
1963	11.4	3.5	7.9	31
1964	11.2	3.3	7.9	29
1965	11.9	3.7	8.2	31
1966	12.9	5.0	7.9	39
1967	13.7	4.8	8.9	35
1968	15.0	5.3	9.7	35
1969	13.7	3.9	9.8	28
Average:				
1967-69	14.1	4.7	9.4	33
1970	16.1	5.2	10.9	32
1971				
1972				
1973				
1960:				
Jan.-Mar.	8.5	1.5	7.0	18
Apr.-June	9.7	2.8	6.9	29
July-Sept.	9.9	2.9	7.0	29
Oct.-Dec.	8.6	1.6	7.0	19
1961:				
Jan.-Mar.	9.4	2.4	7.0	26
Apr.-June	10.3	3.8	6.5	37
July-Sept.	11.6	3.9	7.7	34
Oct.-Dec.	10.0	3.5	6.5	35
1962:				
Jan.-Mar.	13.6	6.1	7.5	45
Apr.-June	13.8	4.8	9.0	35
July-Sept.	11.5	3.1	8.4	27
Oct.-Dec.	9.8	2.0	7.8	20
1963:				
Jan.-Mar.	10.1	2.5	7.6	25
Apr.-June	11.7	4.2	7.5	36
July-Sept.	12.7	4.1	8.6	32
Oct.-Dec.	11.0	3.3	7.7	30
1964:				
Jan.-Mar.	11.5	3.5	8.0	30
Apr.-June	11.3	3.0	8.3	27
July-Sept.	11.2	3.1	8.1	28
Oct.-Dec.	10.9	3.5	7.4	32
1965:				
Jan.-Mar.	11.0	2.8	8.2	25
Apr.-June	12.7	4.9	7.8	39
July-Sept.	13.7	4.7	9.0	34
Oct.-Dec.	10.4	2.3	8.1	22
1966:				
Jan.-Mar.	10.2	2.5	7.7	25
Apr.-June	13.6	7.1	6.5	52
July-Sept.	14.9	5.5	9.4	37
Oct.-Dec.	13.1	4.8	8.3	37
1967:				
Jan.-Mar.	14.5	6.5	8.0	45
Apr.-June	13.8	3.9	9.9	28
July-Sept.	13.9	4.3	9.6	31
Oct.-Dec.	12.8	4.3	8.5	34
1968:				
Jan.-Mar.	14.1	6.5	7.6	46
Apr.-June	17.4	6.8	10.6	39
July-Sept.	14.9	4.4	10.5	30
Oct.-Dec.	13.5	3.7	9.8	27
1969:				
Jan.-Mar.	13.0	2.8	10.2	22
Apr.-June	13.3	3.6	9.7	27
July-Sept.	14.7	4.7	10.0	32
Oct.-Dec.	13.7	4.6	9.1	34
1970:				
Jan.-Mar.	16.3	7.0	9.3	43
Apr.-June	18.2	5.8	12.4	32
July-Sept.	16.5	4.8	11.7	29
Oct.-Dec.	13.5	3.2	10.3	24
1971:				
Jan.-Mar.	13.1	3.7	9.4	28
Apr.-June	14.1	4.1	10.0	29
July-Sept.	15.4	4.8	10.6	31
Oct.-Dec.				
1972:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				
1973:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				

1/ Payment to farmer for 1.06 lb. of onions for fresh market.

Table 67.--Peppers, green: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1964-70

Period	Retail price per pound	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1964	34.5	11.4	23.1	33
1965	34.0	11.8	22.2	35
1966	37.1	13.7	23.4	37
1967	37.5	14.0	23.5	37
1968	39.3	14.5	24.8	37
1969	41.3	15.9	25.4	38
Average: 1967-69	39.4	14.8	24.6	38
1970	51.7	20.8	30.9	40
1971				
1972				
1973				

1/ Payment to farmer for 1.09 lb. of peppers for fresh market.

Table 68.--Potatoes: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-71

Period	Retail price per 10 pounds	Farm value 1/	Farm-retail spread	Farmer's share	Period	Retail price per 10 pounds	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent		Cents			Percent
1947	48.4	24.4	24.0	50	1964:				
1948	53.7	27.7	26.0	52	Jan.-Mar.	60.8	17.5	43.3	29
1949	52.5	24.8	27.7	47	Apr.-June	75.9	32.4	43.5	43
Average:					July-Sept.	89.1	29.9	59.2	34
1947-49	51.5	25.6	25.9	50	Oct.-Dec.	77.0	29.1	47.9	38
					1965:				
1950	44.5	17.7	26.8	40	Jan.-Mar.	96.2	44.9	51.3	47
1951	48.7	20.8	27.9	43	Apr.-June	111.9	51.1	60.8	46
1952	72.9	37.9	35.0	52	July-Sept.	99.2	31.6	67.6	32
1953	53.2	18.5	34.7	35	Oct.-Dec.	66.8	20.0	46.8	30
1954	51.6	17.8	33.8	34	1966:				
1955	55.6	19.4	36.2	35	Jan.-Mar.	67.8	23.0	44.8	34
1956	66.6	26.2	40.4	39	Apr.-June	81.2	24.5	56.7	30
1957	55.7	15.7	40.0	28	July-Sept.	76.7	21.2	55.5	28
1958	60.8	18.7	42.1	31	Oct.-Dec.	72.6	21.1	51.5	29
1959	61.1	19.2	41.9	31	1967:				
Average:					Jan.-Mar.	75.4	23.1	52.3	31
1957-59	59.2	17.9	41.3	30	Apr.-June	72.8	19.7	53.1	27
					July-Sept.	80.0	23.6	56.4	30
1960	69.4	24.3	45.1	35	Oct.-Dec.	69.4	17.5	51.9	25
1961	60.3	16.3	44.0	27	1968:				
1962	60.3	16.9	43.4	28	Jan.-Mar.	68.3	16.3	52.0	24
1963	61.9	17.0	44.9	27	Apr.-June	79.2	25.1	54.1	32
1964	75.7	27.2	48.5	36	July-Sept.	83.0	23.2	59.8	28
1965	93.6	36.9	56.7	39	Oct.-Dec.	73.5	20.2	53.3	27
1966	74.6	22.4	52.2	30	1969:				
1967	74.4	21.0	53.4	28	Jan.-Mar.	76.5	24.0	52.5	31
1968	76.0	21.2	54.8	28	Apr.-June	82.0	26.7	55.3	33
1969	81.0	23.4	57.6	29	July-Sept.	87.4	23.5	63.9	27
Average:					Oct.-Dec.	78.0	19.6	58.4	25
1967-69	77.1	21.9	55.2	28	1970:				
					Jan.-Mar.	83.3	25.0	58.3	30
1970	89.0	25.7	63.3	29	Apr.-June	93.6	29.3	64.3	31
1971					July-Sept.	98.4	28.3	70.1	29
1972					Oct.-Dec.	80.9	20.1	61.8	25
1973					1971:				
					Jan.-Mar.	81.0	20.5	60.5	25
1960:					Apr.-June	89.1	23.7	65.4	27
Jan.-Mar.	65.6	24.8	40.8	38	July-Sept.	91.9	23.5	68.4	26
Apr.-June	79.1	29.0	50.1	37	Oct.-Dec.				
July-Sept.	69.1	23.3	45.8	34	1972:				
Oct.-Dec.	63.9	20.0	43.9	31	Jan.-Mar.				
1961:					Apr.-June				
Jan.-Mar.	63.0	18.4	44.6	29	July-Sept.				
Apr.-June	63.6	18.0	45.6	28	Oct.-Dec.				
July-Sept.	61.3	16.2	45.1	26	1973:				
Oct.-Dec.	53.3	12.5	40.8	23	Jan.-Mar.				
1962:					Apr.-June				
Jan.-Mar.	53.8	12.9	40.9	24	July-Sept.				
Apr.-June	62.8	18.9	43.9	30	Oct.-Dec.				
July-Sept.	66.6	20.1	46.5	30					
Oct.-Dec.	57.9	15.7	42.2	27					
1963:									
Jan.-Mar.	59.1	16.6	42.5	28					
Apr.-June	61.8	16.3	45.5	26					
July-Sept.	66.6	20.4	46.2	31					
Oct.-Dec.	60.0	14.7	45.3	24					

1/ Payment to farmer for 10.42 lb. of potatoes.

Table 69.--Tomatoes, fresh: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1950-71

Period	Retail price per pound	Farm value 1/	Farm-retail spread	Farmer's share
	Cents	Cents	Cents	Percent
1950	24.4	9.3	15.1	38
1951	26.9	11.8	15.1	44
1952	26.7	10.9	15.8	41
1953	27.6	9.8	17.8	36
1954	26.4	9.3	17.1	35
1955	27.4	9.0	18.4	33
1956	29.5	10.8	18.7	37
1957	29.5	9.8	19.7	33
1958	32.1	11.6	20.5	36
1959	29.6	10.4	19.2	35
Average:				
1957-59	30.4	10.6	19.8	35
1960	31.6	11.4	20.2	36
1961	28.7	9.6	19.1	33
1962	29.7	10.6	19.1	36
1963	33.0	10.4	22.6	32
1964	33.1	11.2	21.9	34
1965	34.1	12.0	22.1	35
1966	34.8	12.6	22.2	36
1967	35.2	11.8	23.4	34
1968	40.4	15.6	24.8	39
1969	42.0	15.6	26.4	37
Average:				
1967-69	39.2	14.3	24.9	36
1970	41.9	15.0	26.9	36
1971				
1972				
1973				
1960:				
Jan.-Mar.	37.0	14.5	22.5	39
Apr.-June	37.3	13.3	24.0	36
July-Sept.	23.7	8.9	14.8	38
Oct.-Dec.	28.4	8.9	19.5	31
1961:				
Jan.-Mar.	30.6	9.5	21.1	31
Apr.-June	31.9	10.2	21.7	32
July-Sept.	25.7	9.5	16.2	37
Oct.-Dec.	26.7	9.0	17.7	34
1962:				
Jan.-Mar.	32.4	13.5	18.9	42
Apr.-June	33.6	11.5	22.1	34
July-Sept.	25.4	7.8	17.6	31
Oct.-Dec.	27.3	9.8	17.5	36
1963:				
Jan.-Mar.	38.5	11.3	27.2	29
Apr.-June	34.7	9.5	25.2	27
July-Sept.	27.1	9.1	18.0	34
Oct.-Dec.	31.7	11.8	19.9	37
1964:				
Jan.-Mar.	35.9	13.3	22.6	37
Apr.-June	35.9	11.2	24.7	31
July-Sept.	28.7	9.6	19.1	33
Oct.-Dec.	31.8	10.9	20.9	34
1965:				
Jan.-Mar.	33.7	10.5	23.2	31
Apr.-June	38.9	14.2	24.7	37
July-Sept.	28.6	10.5	18.1	37
Oct.-Dec.	35.3	13.0	22.3	37
1966:				
Jan.-Mar.	35.8	12.8	23.0	36
Apr.-June	36.8	13.0	23.8	35
July-Sept.	32.3	11.7	20.6	36
Oct.-Dec.	34.1	12.9	21.2	38
1967:				
Jan.-Mar.	36.6	11.5	25.1	31
Apr.-June	36.1	11.6	24.5	32
July-Sept.	36.4	14.4	22.0	40
Oct.-Dec.	31.8	9.7	22.1	31
1968:				
Jan.-Mar.	42.6	16.9	25.7	40
Apr.-June	44.2	18.1	26.1	41
July-Sept.	33.8	11.4	22.4	34
Oct.-Dec.	41.1	15.8	25.3	38
1969:				
Jan.-Mar.	41.9	15.8	26.1	38
Apr.-June	45.6	16.3	29.3	36
July-Sept.	35.5	11.1	24.4	31
Oct.-Dec.	44.8	19.3	25.5	43
1970:				
Jan.-Mar.	44.3	16.3	28.0	37
Apr.-June	46.3	16.4	29.9	35
July-Sept.	36.0	12.2	23.8	34
Oct.-Dec.	41.0	15.1	25.9	37
1971:				
Jan.-Mar.	45.4	21.2	24.2	47
Apr.-June	50.2	19.5	30.7	39
July-Sept.	43.0	16.1	26.9	37
Oct.-Dec.				
1972:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				
1973:				
Jan.-Mar.				
Apr.-June				
July-Sept.				
Oct.-Dec.				

1/ Payment to farmer for 1.18 lb. of tomatoes for fresh market.

Table 70.--Fruits and vegetables, processed: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, 1957-71 1/

Period	Retail cost	Farm value	Farm-retail spread	Farmer's share
	Dollars			Percent
1957	103.54	18.65	84.89	18
1958	108.43	19.01	89.42	18
1959	109.66	20.44	89.22	19
Average:				
1957-59 ...	107.21	19.37	87.84	18
1960	107.24	19.00	88.24	18
1961	109.34	19.85	89.49	18
1962	106.66	18.48	88.18	17
1963	109.04	19.09	89.95	18
1964	110.02	22.17	87.85	20
1965	106.40	22.47	83.93	21
1966	109.36	21.26	88.10	19
1967	108.97	19.75	89.22	18
1968	115.44	23.01	92.43	20
1969	116.02	23.87	92.15	21
Average:				
1967-69 ...	113.48	22.21	91.27	20
1970	118.75	22.20	96.55	19
1971				
1972				
1973				
1960:				
Jan.-Mar. .	106.59	19.42	87.17	18
Apr.-Jun. .	106.80	18.85	87.95	18
Jul.-Sept.	107.42	18.89	88.53	18
Oct.-Dec. .	108.17	18.85	89.32	17
1961:				
Jan.-Mar. .	109.63	19.32	90.31	18
Apr.-Jun. .	109.99	19.83	90.16	18
Jul.-Sept.	109.31	20.15	89.16	18
Oct.-Dec. .	108.44	20.11	88.33	19
1962:				
Jan.-Mar. .	107.87	19.09	88.78	18
Apr.-Jun. .	107.05	18.60	88.45	17
Jul.-Sept.	106.37	18.27	88.10	17
Oct.-Dec. .	105.33	17.98	87.35	17
1963:				
Jan.-Mar. .	107.01	18.15	88.86	17
Apr.-Jun. .	108.57	19.26	89.31	18
Jul.-Sept.	110.08	19.35	90.73	18
Oct.-Dec. .	110.48	19.60	90.88	18
1964:				
Jan.-Mar. .	111.07	21.06	90.01	19
Apr.-Jun. .	111.06	22.22	88.84	20
Jul.-Sept.	109.85	22.39	87.46	20
Oct.-Dec. .	108.06	23.01	85.05	21
1965:				
Jan.-Mar.	107.13	22.69	84.44	21
Apr.-Jun.	106.21	21.84	84.37	21
Jul.-Sept.	106.10	22.60	83.50	21
Oct.-Dec.	106.17	22.74	83.43	21
1966:				
Jan.-Mar.	108.49	21.97	86.52	20
Apr.-Jun.	110.09	21.67	88.42	20
Jul.-Sept.	109.87	21.04	88.83	19
Oct.-Dec.	108.99	20.38	88.61	19
1967:				
Jan.-Mar.	108.21	19.37	88.84	18
Apr.-Jun.	107.30	18.39	88.91	17
Jul.-Sept.	108.79	19.87	88.92	18
Oct.-Dec.	111.61	21.36	90.25	19
1968:				
Jan.-Mar.	114.30	22.37	91.93	20
Apr.-Jun.	115.72	23.83	91.89	21
Jul.-Sept.	116.20	23.12	93.08	20
Oct.-Dec.	115.54	22.71	92.83	20
1969:				
Jan.-Mar.	115.43	23.64	91.79	20
Apr.-Jun.	115.99	24.50	91.49	21
Jul.-Sept.	116.37	24.05	92.32	21
Oct.-Dec.	116.27	23.28	92.99	20
1970:				
Jan.-Mar.	116.71	23.35	94.36	19
Apr.-Jun.	117.91	21.71	96.20	18
Jul.-Sept.	119.46	22.11	97.35	19
Oct.-Dec.	120.91	22.61	98.30	19
1971:				
Jan.-Mar.	122.17	22.34	99.83	18
Apr.-Jun.	123.62	22.76	100.86	18
Jul.-Sept.	125.84	22.92	102.92	18
Oct.-Dec.				
1972:				
Jan.-Mar.				
Apr.-Jun.				
Jul.-Sept.				
Oct.-Dec.				
1973:				
Jan.-Mar.				
Apr.-Jun.				
Jul.-Sept.				
Oct.-Dec.				

1/ Average quantities bought annually per household in 1960-61 by families of wage earners and clerical workers and workers living alone.

Table 71.--Fruits and vegetables, processed: Indexes of retail cost, farm value, and farm-retail spread, 1947-70

(1967=100)

Year	Retail cost	Farm value	Farm-retail spread
1947	88	103	85
1948	88	99	86
1949	85	90	83
1950	81	81	81
1951	91	88	92
1952	92	93	92
1953	96	97	96
1954	96	96	96
1955	96	94	96
1956	97	101	96
1957	95	94	95
1958	100	96	100
1959	106	104	100
1960	98	96	99
1961	100	101	100
1962	98	94	99
1963	100	97	101
1964	101	112	98
1965	98	114	95
1966	100	108	99
1967	100	100	100
1968	106	117	104
1969	106	121	103
1970	109	112	108
1971			
1972			
1973			

Table 72.--Peaches, cling, canned: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-70

Period	Retail price per No. 2½ can	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1947	32.0	5.3	26.7	17
1948	31.5	5.1	26.4	16
1949	31.0	5.0	26.0	16
Average:				
1947-49	31.5	5.1	26.4	16
1950	28.7	4.4	24.3	15
1951	33.7	5.9	27.8	18
1952	33.8	6.4	27.4	19
1953	33.8	5.6	28.2	17
1954	32.7	5.0	27.7	15
1955	33.8	5.8	28.0	17
1956	34.6	6.7	27.9	19
1957	34.4	6.1	28.3	18
1958	33.9	5.8	28.1	17
1959	35.1	5.7	29.4	16
Average:				
1957-59	34.5	5.9	28.6	17
1960	33.2	5.3	27.9	16
1961	32.7	5.4	27.3	17
1962	32.1	5.9	26.2	18
1963	32.2	5.7	26.5	18
1964	33.1	5.5	27.6	17
1965	31.7	5.9	25.8	19
1966	33.7	6.2	27.5	18
1967	31.8	6.6	25.2	21
1968	35.2	7.2	28.0	20
1969	34.4	6.9	27.5	20
Average:				
1967-69	33.8	6.9	26.9	20
1970	35.2	7.0	28.2	20
1971				
1972				
1973				

1/ Payment to farmer for 1.52 lb. of California cling peaches for canning and farm equivalent of 0.22 lb. sugar.

Table 73.--Pears, Bartlett, canned: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1964-70

Period	Retail price per No. 2½ can	Farm value 1/	Farm-retail spread	Farmer's share
	Cents	Cents	Cents	Percent
1964	49.1	11.0	38.1	22
1965	46.5	11.6	34.9	25
1966	48.0	12.2	35.8	25
1967	45.4	11.9	33.5	26
1968	53.6	15.6	38.0	29
1969	50.1	11.8	38.3	24
Average:				
1967-69	49.7	13.1	36.6	26
1970	49.5	11.4	38.1	23
1971				
1972				
1973				

1/ Payment to farmer for 1.81 lb. of Bartlett pears for canning from Pacific Coast States and farm equivalent of 0.21 lb. sugar.

Table 74.--Lemonade, frozen concentrate: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1964-70

Period	Retail price per 6-ounce can	Farm value 1/	Farm-retail spread	Farmer's share
	Cents	Cents	Cents	Percent
1964	13.9	3.2	10.7	23
1965	12.8	2.7	10.1	21
1966	12.5	2.9	9.6	23
1967	12.3	2.8	9.5	23
1968	12.4	2.7	9.7	22
1969	12.7	3.1	9.6	24
Average:				
1967-69	12.5	2.9	9.6	23
1970	13.2	3.2	10.0	24
1971				
1972				
1973				

1/ Payment to farmer for 0.834 lb. of lemons for processing and farm equivalent of 0.227 lb. of sugar.

Table 75.--Orange juice, frozen concentrate: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1951-71

Period	Retail price per 6-ounce can	Farm value 1/	Farm-retail spread	Farmer's share
	Cents	Cents	Cents	Percent
1951	24.0	7.3	16.7	30
1952	18.8	4.1	14.7	22
1953	19.6	5.5	14.1	28
1954	18.6	5.5	13.1	30
1955	18.2	5.4	12.8	30
1956	19.5	7.1	12.4	36
1957	18.1	5.9	12.2	33
1958	26.8	8.2	18.6	31
1959	25.4	10.4	15.0	41
Average:				
1957-59	23.4	8.2	15.2	35
1960	22.2	8.2	14.0	37
1961	24.3	10.3	14.0	42
1962	20.5	7.5	13.0	37
1963	30.0	10.2	19.8	34
1964	30.9	15.3	15.6	50
1965	23.4	10.6	12.8	45
1966	22.1	9.0	13.1	41
1967	18.3	4.9	13.4	27
1968	21.2	9.0	12.2	42
1969	24.1	10.9	13.2	45
Average:				
1967-69	21.2	8.3	12.9	39
1970	22.5	7.8	14.7	35
1971				
1972				
1973				
1960:				
Jan.-Mar. ..	22.4	9.1	13.3	41
Apr.-June ..	21.8	7.7	14.1	35
July-Sept. .	21.8	7.9	13.9	36
Oct.-Dec. ..	22.7	7.9	14.8	35
1961:				
Jan.-Mar. ..	24.5	8.9	15.6	36
Apr.-June ..	24.9	10.6	14.3	43
July-Sept. .	24.0	10.8	13.2	45
Oct.-Dec. ..	23.9	10.8	13.1	45
1962:				
Jan.-Mar. ..	22.8	9.2	13.6	40
Apr.-June ..	20.4	7.2	13.2	35
July-Sept. .	19.6	6.8	12.8	35
Oct.-Dec. ..	19.3	6.8	12.5	35
1963:				
Jan.-Mar. ..	25.8	6.7	19.1	26
Apr.-June ..	29.9	10.9	19.0	36
July-Sept. .	32.1	11.5	20.6	36
Oct.-Dec. ..	32.3	11.5	20.8	36
1964:				
Jan.-Mar. ..	32.4	13.8	18.6	42
Apr.-June ..	31.4	15.8	15.6	50
July-Sept. .	30.3	15.7	14.6	52
Oct.-Dec. ..	29.7	15.7	14.0	53
1965:				
Jan.-Mar. ..	27.2	13.0	14.2	48
Apr.-June ..	23.4	9.9	13.5	42
July-Sept. .	21.7	9.7	12.0	45
Oct.-Dec. ..	21.3	9.7	11.6	46
1966:				
Jan.-Mar. ..	21.0	9.7	11.3	46
Apr.-June ..	22.0	8.9	13.1	40
July-Sept. .	22.7	8.6	14.1	38
Oct.-Dec. ..	22.7	8.6	14.1	38
1967:				
Jan.-Mar. ..	20.1	6.4	13.7	32
Apr.-June ..	17.5	4.3	13.2	25
July-Sept. .	17.4	4.5	12.9	26
Oct.-Dec. ..	18.3	4.5	13.8	25
1968:				
Jan.-Mar. ..	19.9	6.7	13.2	34
Apr.-June ..	21.0	9.9	11.1	47
July-Sept. .	21.6	9.6	12.0	44
Oct.-Dec. ..	22.4	9.6	12.8	43
1969:				
Jan.-Mar. ..	23.3	10.0	13.3	43
Apr.-June ..	24.9	11.2	13.7	45
July-Sept. .	24.4	11.3	13.1	46
Oct.-Dec. ..	23.8	11.3	12.5	47
1970:				
Jan.-Mar. ..	23.3	9.2	14.1	39
Apr.-June ..	22.5	7.3	15.2	32
July-Sept. .	22.3	7.3	15.0	33
Oct.-Dec. ..	21.8	7.3	14.5	33
1971:				
Jan.-Mar. ..	21.6	6.5	15.1	30
Apr.-June ..	22.5	6.9	15.6	31
July-Sept. .	24.5	8.0	16.5	33
Oct.-Dec. ..				
1972:				
Jan.-Mar. ..				
Apr.-June ..				
July-Sept. .				
Oct.-Dec. ..				
1973:				
Jan.-Mar. ..				
Apr.-June ..				
July-Sept. .				
Oct.-Dec. ..				

1/ Payment to grower for Florida oranges for freezing, delivered to packinghouse door. Seasonal average farm-product equivalent varies depending on juice content of oranges.

Table 76.--Beets, sliced, canned: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1964-70

Period	Retail price per No. 303 can	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1964	16.6	1.0	15.6	6
1965	16.4	1.1	15.3	7
1966	17.1	1.1	16.0	6
1967	17.7	1.2	16.5	7
1968	18.1	1.2	16.9	7
1969	18.2	1.4	16.8	8
Average: 1967-69	18.0	1.3	16.7	7
1970	18.6	1.3	17.3	7
1971				
1972				
1973				

1/ Payment to farmer for 1.19 lb. of sliced beets for canning.

Table 77.--Corn, canned: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-70

Period	Retail price per No. 303 can	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			
1947	16.0	2.3	13.7	14
1948	17.2	2.4	14.8	14
1949	16.9	2.5	14.4	15
Average:				
1947-49	16.7	2.4	14.3	14
1950	15.4	2.2	13.2	14
1951	17.8	2.2	15.6	12
1952	18.8	2.6	16.2	14
1953	19.0	2.6	16.4	14
1954	18.2	2.5	15.7	14
1955	17.1	2.2	14.9	13
1956	17.9	2.2	15.7	12
1957	17.2	2.2	15.0	13
1958	17.7	2.2	15.5	12
1959	19.2	2.1	17.1	11
Average:				
1957-59	18.0	2.2	15.8	12
1960	19.2	2.1	17.1	11
1961	20.6	2.1	18.5	10
1962	20.0	2.2	17.8	11
1963	19.2	2.2	17.0	11
1964	19.0	2.2	16.8	12
1965	19.9	2.3	17.6	12
1966	21.9	2.4	19.5	11
1967	23.0	2.6	20.4	11
1968	24.3	2.7	21.6	11
1969	23.8	2.7	21.1	11
Average:				
1967-69	23.7	2.7	21.0	11
1970	24.4	2.7	21.7	11
1971				
1972				
1973				

1/ Payment to farmer for 2.252 lb. of sweet corn for processing.

Table 78.--Peas, canned: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-70

Period	Retail price per No. 303 can	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1947	21.7	3.1	18.6	14
1948	20.8	3.1	17.7	15
1949	20.6	3.2	17.4	16
Average:				
1947-49	21.0	3.1	17.9	15
1950	20.7	3.0	17.7	14
1951	21.3	3.0	18.3	14
1952	20.6	3.2	17.4	16
1953	21.3	3.3	18.0	15
1954	21.4	3.4	18.0	16
1955	21.5	3.3	18.2	15
1956	21.5	3.2	18.3	15
1957	21.5	3.2	18.3	15
1958	21.1	3.2	17.9	15
1959	20.4	3.2	17.2	16
Average:				
1957-59	21.0	3.2	17.8	15
1960	20.7	3.1	17.6	15
1961	22.0	3.1	18.9	14
1962	22.5	3.1	19.4	14
1963	22.6	3.1	19.5	14
1964	22.6	3.2	19.4	14
1965	23.6	3.5	20.1	15
1966	24.0	3.7	20.3	15
1967	24.9	4.0	20.9	16
1968	24.8	4.0	20.8	16
1969	24.9	3.9	21.0	16
Average:				
1967-69	24.9	4.0	20.9	16
1970	25.1	3.9	21.2	16
1971				
1972				
1973				

1/ Payment to farmer for 0.725 lb. of peas for canning.

Table 79.--Tomatoes, canned: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-70

Period	Retail price per No. 303 can	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1947	16.6	2.3	14.3	14
1948	14.2	2.2	12.0	15
1949	13.0	2.0	11.0	15
Average:				
1947-49	14.6	2.2	12.4	15
1950	12.6	1.8	10.8	14
1951	16.1	2.0	14.1	12
1952	15.1	2.3	12.8	15
1953	14.8	2.2	12.6	15
1954	14.6	2.0	12.6	14
1955	15.1	1.8	13.3	12
1956	15.2	1.9	13.3	12
1957	15.0	1.9	13.1	13
1958	17.0	1.9	15.1	11
1959	15.5	1.9	13.6	12
Average:				
1957-59	15.8	1.9	13.9	12
1960	15.9	1.9	14.0	12
1961	16.0	2.2	13.8	14
1962	15.7	2.3	13.4	15
1963	15.5	2.1	13.4	14
1964	16.0	2.1	13.9	13
1965	16.3	2.4	13.9	15
1966	17.7	2.8	14.9	16
1967	19.5	2.8	16.7	14
1968	20.4	3.2	17.2	16
1969	19.6	2.9	16.7	15
Average:				
1967-69	19.8	3.0	16.8	15
1970	21.3	2.6	18.7	12
1971				
1972				
1973				

1/ Payment to farmer for 1.52 lb. of tomatoes for processing.

Table 80.--French-fried potatoes, frozen: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1964-70

Period	Retail price per 9-ounce package	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1964	16.5	2.3	14.2	14
1965	16.8	4.8	12.0	29
1966	15.4	2.7	12.7	18
1967	15.0	2.4	12.6	16
1968	15.4	2.2	13.2	14
1969	16.2	3.1	13.1	19
Average: 1967-69	15.5	2.6	12.9	17
1970	16.5	2.9	13.6	18
1971				
1972				
1973				

1/ Payment to farmer for 1.41 lb. of Idaho and Maine potatoes.

Table 81.--Peas, frozen: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1951-70

Period	Retail price per 10-ounce package	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			
1951	20.7	3.1	17.6	15
1952	20.1	3.2	16.9	16
1953	19.1	3.2	15.9	17
1954	19.3	3.2	16.1	17
1955	20.1	3.1	17.0	15
1956	21.0	3.1	17.9	15
1957	19.7	3.2	16.5	16
1958	19.6	3.1	16.5	16
1959	19.9	3.0	16.9	15
Average:				
1957-59	19.7	3.1	16.6	16
1960	20.0	3.0	17.0	15
1961	20.7	2.9	17.8	14
1962	20.8	3.0	17.8	14
1963	21.0	2.9	18.1	14
1964	20.9	3.1	17.8	15
1965	20.2	3.4	16.8	17
1966	20.0	3.4	16.6	17
1967	20.5	3.5	17.0	17
1968	20.7	3.6	17.1	17
1969	21.0	3.5	17.5	17
Average:				
1967-69	20.7	3.5	17.2	17
1970	21.2	3.6	17.6	17
1971				
1972				
1973				

1/ Payment to farmer for 0.68 lb. of shelled peas for freezing.

Table 82.--Beans, dried: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1947-70

Period	Retail price per pound	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			
1947	20.6	11.8	8.8	57
1948	21.3	10.1	11.2	47
1949	15.9	7.0	8.9	44
Average:				
1947-49	19.3	9.6	9.7	50
1950	14.8	6.7	8.1	45
1951	16.1	6.8	9.3	42
1952	15.6	7.7	7.9	49
1953	16.4	8.4	8.0	51
1954	16.9	8.5	8.4	50
1955	17.8	8.4	9.4	47
1956	15.9	6.5	9.4	41
1957	15.7	6.9	8.8	44
1958	17.5	8.2	9.3	47
1959	16.6	6.5	10.1	39
Average:				
1957-59	16.6	7.2	9.4	43
1960	16.0	6.1	9.9	38
1961	16.2	6.3	9.9	39
1962	16.5	6.2	10.3	38
1963	16.8	6.2	10.6	37
1964	16.6	6.8	9.8	41
1965	17.4	7.4	10.0	43
1966	19.6	7.5	12.1	38
1967	18.2	7.3	10.9	40
1968	19.6	8.4	11.2	43
1969	19.6	7.8	11.8	40
Average:				
1967-69	19.1	7.8	11.3	41
1970	19.2	7.5	11.7	39
1971				
1972				
1973				

1/ Payment to farmers for 1.04 lb. of dry edible beans, based on average price received by Michigan and Nebraska growers.

Table 83.--Fats and oils: Retail cost, farm value, byproduct allowance, farm value, farm-retail spread, and farmer's share of retail cost, 1957-71 1/

Period	Retail cost	Gross farm value	Byproduct allowance	Net farm value	Farm-retail spread	Farmer's share
	Dollars					Percent
1957	38.05	20.62	7.99	12.63	25.42	33
1958	37.60	18.39	7.81	10.58	27.02	28
1959	35.84	17.76	8.35	9.41	26.43	26
Average:						
1957-59	37.16	18.92	8.05	10.87	26.29	29
1960	34.12	18.18	8.54	9.64	24.48	28
1961	36.23	21.69	9.79	11.90	24.33	33
1962	36.14	19.99	10.04	9.95	26.19	28
1963	35.03	21.23	11.28	9.95	25.08	28
1964	34.72	24.93	14.77	10.16	24.56	29
1965	37.27	26.17	14.61	11.56	25.71	31
1966	38.70	29.34	17.11	12.23	26.47	32
1967	38.78	27.45	16.67	10.78	28.00	28
1968	37.88	26.31	16.54	9.77	28.11	26
1969	37.86	25.72	15.74	9.98	27.88	26
Average:						
1967-69	38.17	26.49	16.31	10.18	28.00	27
1970	40.67	27.61	15.49	12.12	28.55	30
1971						
1972						
1973						
1960:						
Jan.-Mar.	34.09	18.04	9.29	8.75	25.34	26
Apr.-June	33.81	18.31	8.78	9.53	24.28	28
July-Sept.	34.08	18.08	8.21	9.87	24.21	29
Oct.-Dec.	34.50	18.28	7.85	10.43	24.07	30
1961:						
Jan.-Mar.	35.03	21.49	9.23	12.26	22.77	35
Apr.-June	36.54	24.06	10.98	13.08	23.46	36
July-Sept.	36.82	20.98	9.80	11.18	25.64	30
Oct.-Dec.	36.54	20.23	9.15	11.08	25.46	30
1962:						
Jan.-Mar.	36.57	20.24	9.17	11.07	25.50	30
Apr.-June	36.54	20.39	10.03	10.36	26.18	28
July-Sept.	35.89	19.68	10.67	9.01	26.88	25
Oct.-Dec.	35.57	19.64	10.29	9.35	26.22	26
1963:						
Jan.-Mar.	35.33	21.11	11.11	10.00	25.33	28
Apr.-June	34.99	21.00	10.83	10.17	24.82	29
July-Sept.	34.96	20.83	11.30	9.53	25.43	27
Oct.-Dec.	34.84	21.98	11.90	10.08	24.76	29
1964:						
Jan.-Mar.	34.88	25.67	16.32	9.35	25.53	27
Apr.-June	34.55	24.17	14.63	9.54	25.01	28
July-Sept.	34.46	24.06	14.17	9.89	24.57	29
Oct.-Dec.	34.99	25.82	13.97	11.85	23.14	34
1965:						
Jan.-Mar.	36.91	27.62	14.83	12.79	24.12	35
Apr.-June	37.53	27.46	15.45	12.01	25.52	32
July-Sept.	37.39	25.38	14.67	10.71	26.68	29
Oct.-Dec.	37.25	24.20	13.47	10.73	26.52	29

Continued--

Table 83.--Fats and oils: Retail cost, farm value, byproduct allowance, farm value, farm-retail spread, and farmer's share of retail cost, 1957-71--Continued

Period	Retail cost	Gross farm value	Byproduct allowance	Net farm value	Farm-retail spread	Farmer's share
	Dollars					Percent
1966:						
Jan.-Mar.	37.65	27.24	15.31	11.93	25.72	32
Apr.-June	38.54	28.73	16.66	12.07	26.47	31
July-Sept.	38.85	32.41	19.20	13.21	25.64	34
Oct.-Dec.	39.77	28.99	17.28	11.71	28.06	29
1967:						
Jan.-Mar.	39.46	28.80	17.39	11.41	28.05	29
Apr.-June	38.82	28.45	16.97	11.48	27.34	30
July-Sept.	38.49	26.90	16.57	10.33	28.16	27
Oct.-Dec.	38.33	25.65	15.75	9.90	28.43	26
1968:						
Jan.-Mar.	38.14	26.90	16.36	10.54	27.60	28
Apr.-June	37.95	27.01	16.84	10.17	27.78	27
July-Sept.	37.72	26.12	17.04	9.08	28.64	24
Oct.-Dec.	37.70	25.21	15.93	9.28	28.42	25
1969:						
Jan.-Mar.	37.76	26.15	15.92	10.23	27.53	27
Apr.-June	37.82	26.77	16.73	10.04	27.78	27
July-Sept.	37.75	25.70	16.09	9.61	28.14	25
Oct.-Dec.	38.13	24.26	14.22	10.03	28.10	26
1970:						
Jan.-Mar.	38.90	25.48	14.76	10.72	28.18	28
Apr.-June	40.40	26.91	14.77	12.14	28.26	30
July-Sept.	41.20	28.35	16.57	11.78	29.42	29
Oct.-Dec.	42.18	29.70	15.88	13.82	28.36	33
1971:						
Jan.-Mar.	43.43	30.73	17.26	13.47	29.96	31
Apr.-June	44.13	30.42	17.13	13.29	30.84	30
July-Sept.	44.71	32.02	16.90	15.12	29.59	34
Oct.-Dec.						
1972:						
Jan.-Mar.						
Apr.-June						
July-Sept.						
Oct.-Dec.						
1973:						
Jan.-Mar.						
Apr.-June						
July-Sept.						
Oct.-Dec.						

1/ Average quantities bought annually per household in 1960-61 by families of wage earners and clerical workers and workers living alone.

Table 84.--Fats and oils: Indexes of retail cost, farm value, and farm-retail spread, 1947-70

(1967=100)

Year	Retail cost	Farm value	Farm-retail spread
1947	122	192	95
1948	122	190	96
1949	95	100	92
1950	92	121	80
1951	106	156	87
1952	90	108	83
1953	91	121	79
1954	96	130	83
1955	93	108	87
1956	94	117	85
1957	98	117	91
1958	97	98	96
1959	92	87	94
1960	88	89	87
1961	93	110	87
1962	93	92	94
1963	90	92	90
1964	90	94	88
1965	96	107	92
1966	100	114	94
1967	100	100	100
1968	98	91	100
1969	98	93	100
1970	105	112	102
1971			
1972			
1973			

Table 85.--Margarine: Retail price, farm value, byproduct allowance, farm value, farm-retail spread, and farmer's share of retail price, 1951-70

Period	Retail price per pound	Gross farm value	Byproduct allowance	Net farm value 1/	Farm-retail spread	Farmer's share
	Cents					Percent
1951	34.4	24.4	12.4	12.0	22.4	35
1952	29.1	22.3	13.8	8.5	20.6	29
1953	29.3	20.6	11.1	9.5	19.8	32
1954	29.6	22.6	12.8	9.8	19.8	33
1955	28.4	16.4	8.2	8.2	20.2	29
1956	28.4	17.3	7.7	9.6	18.8	34
1957	29.3	17.6	8.1	9.5	19.8	32
1958	28.6	15.5	8.1	7.4	21.2	26
1959	27.1	15.5	8.7	6.8	20.3	25
Average:						
1957-59 ..	28.3	16.2	8.3	7.9	20.4	28
1960	25.9	16.0	9.0	7.0	18.9	27
1961	27.4	19.6	10.4	9.2	18.2	34
1962	27.1	17.7	10.6	7.1	20.0	26
1963	26.1	19.1	11.9	7.2	18.9	28
1964	26.0	18.8	11.5	7.3	18.7	28
1965	27.6	19.9	11.4	8.5	19.1	31
1966	28.3	22.6	13.6	9.0	19.3	32
1967	28.3	20.7	12.9	7.8	20.5	28
1968	27.9	20.1	13.2	6.9	21.0	25
1969	27.8	19.5	12.4	7.1	20.7	26
Average:						
1967-69 ..	28.0	20.1	12.8	7.3	20.7	26
1970	29.8	21.0	12.1	8.9	20.9	30
1971						
1972						
1973						

1/ Payment to farmer for cottonseed and soybeans equivalent to 1 lb. of margarine, minus value of byproducts, plus farm value of 0.017 lb. of nonfat dry milk.

Table 86.--Vegetable shortening: Retail price, farm value, farm-retail spread, byproduct allowance, and farmer's share of retail price, 1947-70

Period	Retail price per 3 pounds	Gross farm value	Byproduct allowance	Net farm value 1/	Farm-retail spread	Farmer's share
	Cents					Percent
1947	114.8	100.7	43.7	57.0	57.8	50
1948	113.8	98.6	43.3	55.3	58.5	49
1949	90.3	63.2	35.7	27.5	62.8	30
Average: 1947-49 .	106.3	87.5	40.9	46.6	59.7	43
1950	84.8	74.5	39.2	35.3	49.5	42
1951	101.1	90.2	45.6	44.6	56.5	44
1952	86.3	83.4	52.4	31.0	55.3	36
1953	87.4	75.8	41.1	34.7	52.7	40
1954	90.1	81.9	46.6	35.3	54.8	39
1955	88.8	59.6	30.0	29.6	59.2	33
1956	94.7	62.6	28.2	34.4	60.3	36
1957	97.2	64.2	30.0	34.2	63.0	35
1958	93.2	56.0	29.3	26.7	66.5	29
1959	86.8	55.2	31.0	24.2	62.6	28
Average: 1957-59 .	92.4	58.5	30.1	28.4	64.0	31
1960	80.5	56.0	31.4	24.6	55.9	31
1961	88.4	68.0	35.9	32.1	56.3	36
1962	87.0	62.6	37.1	25.5	61.5	29
1963	81.5	67.0	41.6	25.4	56.1	31
1964	78.9	65.7	39.9	25.8	53.1	33
1965	87.3	69.2	39.3	29.9	57.4	34
1966	89.0	79.1	47.3	31.8	57.2	36
1967	87.5	73.9	46.3	27.6	59.9	32
1968	84.0	71.6	47.2	24.4	59.6	29
1969	82.7	69.1	44.3	24.8	57.9	30
Average: 1967-69 .	84.7	71.5	45.9	25.6	59.1	30
1970	88.8	74.3	43.2	31.1	57.7	35
1971						
1972						
1973						

1/ Payment to farmer for cottonseed and soybeans equivalent to 3 lb. of refined vegetable oil, minus value of byproducts.

Table 87.--Peanut butter: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1953-70

Period	Retail price per 12-ounce jar	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1953	37.2	13.3	23.9	36
1954	37.2	13.9	23.3	37
1955	40.8	14.8	26.0	36
1956	40.6	14.0	26.6	34
1957	40.6	13.1	27.5	32
1958	42.0	12.7	29.3	30
1959	42.3	12.6	29.7	30
Average:				
1957-59	41.6	12.8	28.8	31
1960	42.0	12.6	29.4	30
1961	42.2	13.1	29.1	31
1962	43.4	13.6	29.8	31
1963	43.7	13.6	30.1	31
1964	43.8	13.6	30.2	31
1965	44.7	13.9	30.8	31
1966	44.7	13.8	30.9	31
1967	44.1	13.7	30.4	31
1968	44.0	14.0	30.0	32
1969	45.8	14.5	31.3	32
Average:				
1967-69	44.6	14.1	30.5	32
1970	47.7	14.9	32.8	31
1971				
1972				
1973				

1/ Payment to farmer for 1.21 lb. of farmers' stock peanuts.

Table 88.--Salad or cooking oil: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1964-70

Period	Retail price per 24 ounces	Gross farm value	Byproduct allowance	Net farm value 1/	Farm-retail spread	Farmer's share
	Cents					Percent
1964	43.4	42.7	30.9	11.8	31.6	27
1965	47.4	44.6	31.0	13.6	33.8	29
1966	52.4	48.3	33.7	14.6	37.8	28
1967	54.1	46.2	33.4	12.8	41.3	24
1968	52.2	44.0	32.4	11.6	40.6	22
1969	52.0	38.4	27.2	11.2	40.8	22
Average:						
1967-69 ...	52.8	42.9	31.0	11.9	40.9	23
1970	56.8	41.5	27.5	14.0	42.8	25
1971						
1972						
1973						

1/ Payment to farmer for cottonseed, soybeans, and corn equivalent to 24 fluid ounces of salad or cooking oil, minus value of byproducts.

Table 89.--Spaghetti with sauce, canned: Retail price, farm value, farm-retail spread, and farmer's share of retail price, 1964-70

Period	Retail price per 15 1/4-ounce can	Farm value 1/	Farm-retail spread	Farmer's share
	Cents			Percent
1964	15.1	1.8	13.3	12
1965	15.1	1.9	13.2	13
1966	15.8	2.1	13.7	13
1967	16.4	2.1	14.3	13
1968	16.8	2.2	14.6	13
1969	17.5	2.2	15.3	13
Average:				
1967-69 ...	16.9	2.2	14.7	13
1970	18.5	2.1	16.4	11
1971				
1972				
1973				

1/ Payment to farmer for 0.36 lb. wheat, 0.497 lb. tomatoes, plus farm value for small quantities of cheese and sugar.

Table 90.--Sugar: Retail price, farm value, farm-retail spread, byproduct allowance, and farmer's share of retail price, 1947-70

Period	Retail price per 5 pounds	Gross farm value 1/	Byproduct allowance 2/	Net farm value	Farm-retail spread	Farmer's share	Adjustment for Government payment and taxes		
							Farm-retail spread 3/	Farm value 4/	Farmer's share
	Cents	Cents	Cents	Cents	Cents	Percent	Cents	Cents	Percent
1947	49.1	21.3	1.3	20.0	29.1	41	26.4	24.1	49
1948	47.4	21.9	1.4	20.5	26.9	43	24.2	24.6	52
1949	48.1	19.6	1.2	18.4	29.7	38	27.0	22.5	47
Average: 1947-49	48.2	20.9	1.3	19.6	28.6	41	25.9	23.7	49
1950	49.5	19.2	1.1	18.1	31.4	37	28.7	22.0	44
1951	51.4	21.2	1.3	19.9	31.5	39	28.8	23.8	46
1952	52.3	21.7	1.3	20.4	31.9	39	29.2	24.3	46
1953	52.7	21.7	1.3	20.4	32.3	39	17.7	24.2	46
1954	52.3	20.9	1.3	19.6	32.7	37	30.0	23.4	45
1955	51.8	20.3	1.2	19.1	32.7	37	30.0	22.9	44
1956	52.3	21.1	1.3	19.8	32.5	38	29.8	23.7	45
1957	54.5	21.5	1.3	20.2	34.3	37	31.6	23.9	44
1958	55.5	21.4	1.3	20.1	35.4	36	32.7	24.0	43
1959	56.2	21.5	1.3	20.2	36.0	36	33.3	24.0	43
Average: 1957-59	55.4	21.5	1.3	20.2	35.2	36	32.5	24.0	43
1960	57.1	21.6	1.3	20.3	36.8	36	34.1	24.2	42
1961	57.6	21.3	1.3	20.0	37.6	35	34.9	23.7	41
1962	57.1	22.3	1.3	21.0	36.1	37	33.4	25.0	44
1963	66.4	24.5	1.5	23.0	43.4	35	40.7	26.8	40
1964	63.9	25.4	1.5	23.9	40.0	37	37.3	27.5	43
1965	58.6	22.5	1.3	21.2	37.4	36	34.7	24.9	42
1966	59.6	23.3	1.5	21.8	37.8	37	35.1	25.6	43
1967	60.6	24.6	1.5	23.1	37.5	38	34.8	26.9	44
1968	61.0	26.2	1.5	24.7	36.3	40	33.6	28.4	47
1969	62.1	27.0	1.6	25.4	36.7	41	34.0	29.2	47
Average: 1967-69	61.2	25.9	1.5	24.4	36.8	40	34.1	28.2	46
1970	65.0	28.1	1.7	26.4	38.6	41	35.9	30.4	47
1971									
1972									
1973									

1/ Payment to farmer for sugarbeets and sugarcane equivalent to 5 lb. of refined sugar.

2/ Byproduct value estimated at 6 percent of gross farm value.

3/ Farm-retail spread less Federal Government excise tax paid by processors. Under provision of the Sugar Act, a tax averaging 53.5 cents per 100 lb. of refined sugar has been in effect since September 1937 (2.7 cents per 5 lb.). The 1947 spread includes Government payments to processors, which amounted to 0.3 cent per 5 lb.

4/ Net farm value plus payments to producers under provisions of the Sugar Act.

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